

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X		
C.D. KOBSONS, INC.,	:	Civil Action No.: 07 CV 11034 (SAS)
	:	
Plaintiff,	:	AFFIDAVIT OF MIGDALIA
	:	COLON IN SUPPORT
	:	OF MOTION FOR
	:	<u>SUMMARY JUDGMENT</u>
-against-	:	
	:	
UNITED NATIONAL SPECIALTY	:	
INSURANCE COMPANY,	:	
	:	
Defendant.	:	
-----X		

MIGDALIA ("MICKIE") COLON, being duly sworn, deposes and says:

1. I am currently employed by Morstan General Agency, Inc. ("Morstan") as an underwriter and I have held that position in the period from June 2004 to date.
2. In the period from June 2004 up to and including October 2007, Morstan was an agent for United National Specialty Insurance Company ("UNSIC") and underwrote insurance on UNSIC's behalf.
3. Underwriters at Morstan, including myself, were required to underwrite in compliance with guidelines supplied by UNSIC. Copies of the pertinent guidelines are annexed as Exhibit "A".
4. In 2004, and in the years that followed, I was the underwriter at Morstan that underwrote coverage for C.D. Kobsons, Inc. ("Kobsons") regarding premises at 500 West 28th Street, New York, NY, also known as 311 West 28th Street, New York, NY ("premises") on UNSIC's behalf.
5. UNSIC originally issued to Kobsons policy number M5156187, with a policy period from June 15, 2004 to June 15, 2005 ("UNSIC policy"). The UNSIC policy was renewed in 2005

and 2006. In 2007 the UNSIC policy was renewed again but under policy number M5200158.

6. In considering whether to underwrite commercial liability and property insurance for Kobsons through UNSIC, I relied upon the information submitted to Morstan by Arco Insurance Agency ("Arco") on Kobsons' behalf.
7. In the period from 2004 until the last renewal in 2007, Kobsons submitted four applications for consideration.
8. The applications forms submitted by Kobsons included an original application in 2004, a copy of which is annexed as Exhibit "B", and New York State mandated "Anti-arson" Applications for 2004, 2005, 2006 and 2007. The latter are annexed as Exhibits "C".
9. In 2007, Kobsons also submitted a United National Group Renewal Application form, a copy of which is annexed as Exhibit "D".
10. The original application (Exhibit "B") answered in the negative to a question whether "any structural alterations were contemplated" and to one that asked if any "demolition exposure contemplated."
11. The Anti-Arson application supplied as part of the original application in 2004 (Exhibit "C") included question 4 which asked if there were any "outstanding recorded violations of fire, safety, health, building or construction codes" at the premises. Kobsons responded to this question by checking a box indicating the answer was "No."
12. When the United policy was renewed in 2005, the same answer was given to question 4 on the Anti-Arson application (Exhibit "C"). The response was repeated again for the 2006 renewal ("Exhibit "C").
13. In 2007, the Anti-Arson application submitted on Kobsons' behalf again denied the existence of any outstanding violations ("Exhibit "C").

14. In 2007, Kobsons submitted a completed United National Group Renewal Application which states that it is "designed to capture any changes in operations since the prior policy was issued." The insured is also asked to "[p]rovide information which differs from the original application." Kobsons' responses are all in the negative and no information differing from the original application was supplied ("Exhibit "D").
15. In 2007, based upon my review of the application forms submitted on Kobsons' behalf, it appeared that there had been no violations regarding the premises in the period from 2004 through 2007 and that Kobsons had not, and did not, contemplate structural alterations or demolition exposure.
16. On October 23, 2007, Arco sent a facsimile, a copy of which is annexed as Exhibit "E", to Morstan concerning a letter and documentation that it had received from Kobsons. Arco requested that Morstan notify United about the information disclosed by the documents supplied and advise further.
17. The documents included as part of the October 23, 2007 communication from Arco are a letter of October 23, 2007 from Kobsons to Arco which states as follows:

I received a letter from NYC Department of Buildings
Commissioner and Emergency Declaration regarding the unsafe
condition of the building. Our engineer will contact DOB to
comply with the repairs or demolishing the building. I was advised
to notify you and please notify our Insurance Carrier accordingly.

18. The October 23, 2007 communication also included a copy of correspondence from the New York City Department of Buildings which states as follows:

To Whom It May Concern:

The referenced building, or portion thereof, has been declared

unsafe and in imminent peril. It must be repaired or demolished immediately. The responsibility to take such action is yours and, because of the severity of the condition, the work must begin immediately. If you fail to do so, the City will perform the commencement of remedial work. If you fail to do so, the City will perform the necessary work and seek to recover its expenses from you.

19. The October 23, 2007 facsimile from Arco also included a New York City Department of Buildings Emergency Declaration regarding the premises which states as follows:

Conditions of Structure and Recommended Remedy:

Second, third and fourth stories have sagged + or -4", at the center of the building. Structural cracks have developed at exposure 4 (north wall), and interior partitions. The wood stair-assembly, at all stories, is out of level.

Remedy: Provide temporary shoring at the cellar and first story.

20. Upon receipt of the October 23, 2007 communication from Arco, I determined that since shoring of the premises had been mandated by the Department of Buildings, the premises now fell within the risks prohibited by UNSIC requiring cancellation of the UNSIC policy.

21. The UNSIC guidelines, at paragraph 14, note that "[t]he shoring.... of buildings or structures" are specifically excluded.

22. Since there had been no mandate that the premises had to be immediately shored when the UNSIC policy was renewed in June 2007, I determined that the UNSIC policy had to be

cancelled based upon there being a material change in the nature or extent of the risk since renewal which had increased the risk beyond that contemplated at the time the policy was renewed.

23. On October 25, 2007, Morstan mailed a Notice of Cancellation to Kobsons and to Arco, citing the reason for cancellation as "Statutory reason 5E". A copy of the Notice of Cancellation is annexed as Exhibit "F". Reason 5E states as follows:

(E) material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with the insurer's objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

24. On December 3, 2007, Morstan sent a check for \$2,777.55 to Arco reflecting the amount of premium returnable to Kobsons upon cancellation. However, the refund was rejected by Kobsons and sent back to Arco with a cover letter that is annexed as Exhibit "G".

25. Subsequent to the cancellation of the UNSIC policy, I was advised that notwithstanding the content of the applications submitted on behalf of Kobsons which denied that there were any outstanding violations, the premises had numerous outstanding violations. In addition, I was

informed that Kobsons had been seeking to have the premises vacated and to either demolish them or have extensive repairs since 2005.

26. I have reviewed the Department of Buildings violations that were outstanding on the premises in 2007, certified copies of which are annexed as Exhibit "H". These include the following:

1. September 29, 2005---Failure to maintain interior building wall. Defects noted included a vertical crack that is six feet long and an inch wide and missing bricks in column.
2. January 4, 2006--- Two violations. A) Failure to maintain building. Defects noted included sagging floors at levels one through three. B) Failure to maintain exterior wall where entire wall has cracks and missing bricks.
3. January 26, 2006----- Failure to maintain exterior wall. Masonry on North façade lintels crumbling and in disrepair and mortar missing from bricks near roof level.
4. June 1, 2006--- Two violations. A) Work without permit—installing steel beams and columns in cellar. B) North elevation brownstone masonry delaminating creating a hazardous condition.

27. I have also reviewed a list of the violations that were issued by the New York City Department of Housing and Development ("HPD") outstanding on the premises in 2007, a copy of which is annexed as part of Exhibit "H"

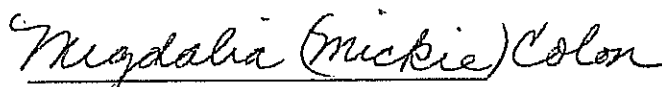
28. Since Kobsons failed to disclose the violations, at the time that the renewal of the UNSIC policy was considered in 2007, Morstan, and UNSIC, were prevented from possessing all of the facts necessary to allow it to choose whether to renew.

29. If Kobsons had accurately answered question 4 on the Anti-Arson application and disclosed the numerous serious structural violations, I would not have renewed the UNSIC policy under any circumstances. The violations identified the need for extensive repairs and would have triggered a need to submit the application to UNSIC for prior approval if there was to be a chance that the policy would be renewed.

30. In the circumstances, however, if Kobsons had disclosed the numerous serious structural and other violations, I, on behalf of Morstan and UNSIC, would have just refused to renew. Such a refusal would have been based on my knowledge that, if I referred such cases for prior approval, UNSIC would always refuse to underwrite them. With that knowledge, I always reject such risks.

31. In addition to failing to disclose the existence of the violations, Kobsons also failed to disclose that it had been contemplating structural alterations and demolition exposure since 2005, as is reflected in the correspondence annexed as Exhibit "T". Kobsons was required to disclose its intentions in response to the renewal application, which asked for information which differs from the original application, but failed to do so.

32. If Kobsons had disclosed its intention to demolish or shore up the premises in response to the renewal application, I would have not renewed the UNSIC policy as that information would clearly have brought the application within the prohibition in the UNSIC guidelines, at paragraph 14, which note that "[t]he shoring....or wrecking of buildings or structures" are specifically excluded.


MIGDALIA ("MICKIE") COLON

Sworn to before me this *19th*

day of May, 2008

Hilda Rivera

Notary Public

HILDA RIVERA
Notary Public, State of New York
No. 01RI-4724515
Qualified in Westchester County
Commission Expires 4/30/2010

EXHIBIT A

COMMERCIAL LIABILITY UNDERWRITING

I. COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Maximum Limits

General Aggregate limit (other than Products/Completed Operations)	\$ two times the each occurrence limit
Products/Completed Operations limit	\$ same as each occurrence limit
Personal and advertising injury limit	\$ same as each occurrence limit
Each occurrence limit	\$ 1,000,000
Fire damage limit	\$ 50,000 any one fire
Medical expense limit	\$ 5,000 any one person

IMPORTANT NOTE: Please refer to Company with any questions after reviewing the classification section.

Aggregates per project can be considered. Please submit to Company for prior approval.

The Underwriter should follow the ISO minimum payroll rules for each state.

II. DEDUCTIBLES

Minimums - The following minimum liability deductibles apply:

1. The minimum liability deductible is \$250.
2. Where liability coverage is being provided solely for one or two family, tenant-occupied dwellings, the minimum deductible is \$100.

UNI 00239

III. MINIMUM PREMIUMS

Liability should be rated using the most current edition of the ISO loss cost, times the loss cost multiplier. For admitted business all applicable credits and debits should be properly documented.

Please use actual exposure base, but not less than the ISO minimum exposure bases.

The following minimum premiums shall apply to the general liability coverage part:

\$ 350	for	\$ 100,000 each occurrence	\$ 200,000 general aggregate
\$ 500	for	\$ 300,000 each occurrence	\$ 600,000 general aggregate
\$ 750	for	\$ 500,000 each occurrence	\$ 1,000,000 general aggregate
\$1250	for	\$1,000,000 each occurrence	\$ 2,000,000 general aggregate

NOTE: MINIMUM PREMIUMS APPLY REGARDLESS OF POLICY TERM EXCEPT ON ADMITTED PAPER WHERE APPROVED FILINGS WOULD BE VIOLATED.

IV. PROPER CLASSIFICATION AND ADEQUATE EXPOSURE BASES

All accounts should be properly classified using the simplified "ISO" classification tables included in this manual.

The insured exposure should be verified by inspection and the policy should be IMMEDIATELY endorsed if the inspection report reveals any discrepancies.

If the classification is rated on area or other non-auditable bases, all chargeable area must be included using the ISO General Rules as a guide.

V. ADDITIONAL INSURED

Additional Insureds may be included after careful consideration of their insurable interest. ISO or United National Additional Insured Endorsements are to be used. Use of any other Additional Insured Endorsements must be referred to the Company for prior approval and may require Department of Insurance approval when used in conjunction with admitted paper.

Follow ISO rating methodology for Additional Insureds.

VI. CERTIFICATES OF INSURANCE

Only the Underwriter or the Company has authority to issue certificates of insurance. Certificates issued by the retail producer obligate the Underwriter to check each certificate for accuracy and to immediately correct any errors. A copy of all certificates must be sent to the Company.

UNI 00240

VII. COVERAGE REDUCTION CREDITS

The use of the following coverage reduction credits are permitted when restricted coverage is issued on **non-admitted** paper. It is necessary to check actual filed rates when using **admitted** paper to determine approved filing credits.

Coverage Reduction Credit Table

ISO Form Number	FORM TITLE	Percentage Credit
CG-2135	Exclusion - Coverage C Medical Payments	2%
CG-2137	Exclusion - Employees as Insureds	2%
CG-2138 (Cannot be used with CG-2140)	Exclusion - Personal and Advertising Injury	4%
CG-2139	Contractual Liability Limitation	4%
CG-2140 (Cannot be used with CG-2138)	Exclusion - Advertising Liability	2%
CG-2142	Exclusion - Explosion, Collapse, Underground	2%
CG-2145	Exclusion - Fire Damage Legal Liability	2%
SL-4	Exclusion - Assault and/or Battery	4%
SL-31	Exclusion - Lead	4%

These credits apply to all Premises/Operations classifications when deleting Fringe Coverages.

VIII. PRIOR SUBMIT LIABILITY EXPOSURES

1. All liability risks that are undergoing extensive renovations.

UNI 00241

PRIOR SUBMITS (continued)

2. Contracting/Service applicants with no prior experience.
3. Low income or subsidized habitational properties.
4. All short term events, such as Flea Markets, Flower Shows, Exhibitions, etc.
5. Accounts with gross sales or receipts in excess of \$1,000,000.
6. Any account with more than one loss in the past two years or any one loss which exceeds \$10,000.
7. Any account that has more than 30% of work performed by sub-contractors can be written using the special guidelines for General Contractors.
8. General contractors can be written or submitted as outlined in the special guidelines for this class.
9. Any account that has a potential exposure to assault and battery claims, specifically those operations that employ security personnel. Although these accounts may be submitted for consideration, they are discouraged.
10. Any account that develops a liability premium more than \$15,000.

HOT TIP: TAVERNS AND RESTAURANTS WITH ENTERTAINMENT GENERALLY HAVE AN ASSAULT & BATTERY EXPOSURE. TO AVOID UNNECESSARY CANCELLATION, PLEASE, MAKE SURE NO ENTERTAINMENT EXPOSURE EXISTS BEFORE QUOTING!

IX. PROHIBITED RISKS AND CLASSIFICATIONS

Prohibited classifications are shown in the Classification Tables of this manual. We do wish to emphasize, however, that the following classifications are specifically excluded:

1. Habitational Risks located in Texas.
2. California contractors involved in residential construction or repair including apartments and condominiums.
3. Risks currently in receivership, bankruptcy, have a history of bankruptcy, or are otherwise not financially sound are prohibited.

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Prohibited Classifications (continued)

4. Marine Protection and Indemnity (including operation, navigation or wrecking of any vessel or barge) exposures and Aviation exposures.
5. Railroad Protective Coverage or any operation of a carrier on rails.
6. Risks involved in the production, storage, or refining of petroleum and its products, except as respects retail gasoline service stations or garages. Included in this prohibition is the manufacture, production, refinement, storage, distribution, and transportation of flammable, explosive, or caustic materials (except some local retail delivery when prior written consent is granted by the Company). Drilling for oil or natural gas and the construction or operation of any pipeline for transmission of oil or gas is also prohibited.
7. Manufacture, ownership, maintenance, operation or use of aircraft, aircraft parts, and airports.
8. Commercial or Personal Umbrella Liability.
9. Malpractice, Errors and Omissions, and Professional Liability (except where prior written consent is granted by the Company).
10. Directors' and Officers' Liability (except where prior written approval is granted by the Company).
11. Public Utility Business
12. Storage, sale, handling, or distribution of any explosive, ammunition, magnesium, fuse, fireworks, celluloid or pyroxylin or risks with gas under pressure, including liquefied petroleum gas.
13. Operation of an amusement park or amusement rides, circus, carnival or race track.
14. The shoring, moving, or wrecking of buildings or structures.
15. Construction, maintenance or operation of canals, dry docks, coffer dams, dams, bridges exceeding 100 feet in length, or tunnels or subways exceeding 50 feet in length.
16. Underground coal or asbestos mining or subaqueous operation.
17. Any exposure under the Longshoremen and Harbor Workers' Compensation Act.

UNI 00243

COMMERCIAL PROPERTY UNDERWRITING

I. COVERAGES & CAUSES OF LOSS

The basic causes of loss may be provided for the following coverages:

- a. Real Property
- b. Personal Property
- c. Business Income - this coverage should not be written without real and/or personal property coverages.

Broad or special causes of loss may be provided when wiring, plumbing, heating and roofing have all been updated within the last 15 years.

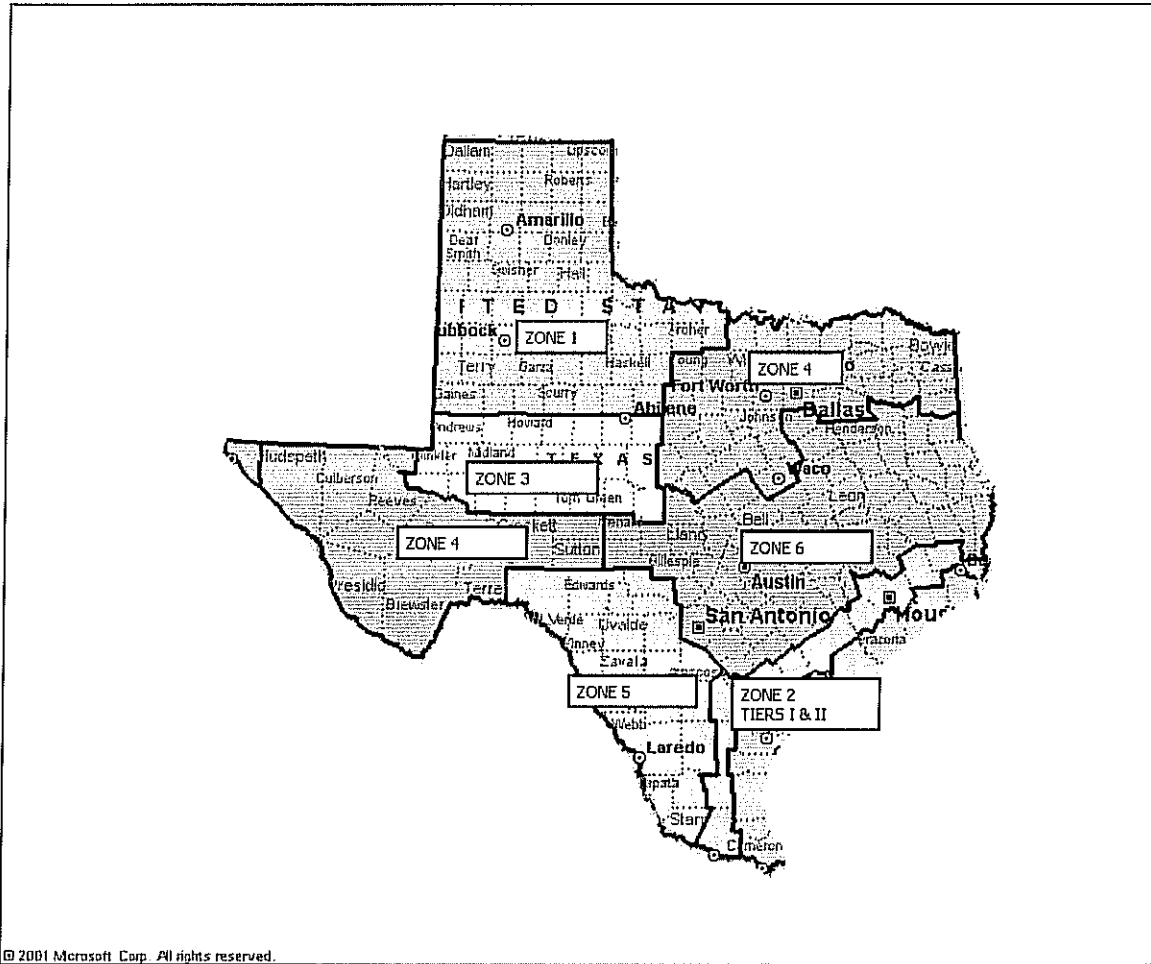
II. THEFT GUIDELINES

When providing special causes of loss on contents that are high target items (ie: liquor stores, drug stores, household appliances, retail clothing, etc.), higher theft deductibles must be used. Additionally, we require that the risk have a central station burglar alarm. The Protective Safeguard Endorsement, warranting that such an alarm exists and is in good working order, must be attached to the policy. Our minimum theft deductible is \$2,500 when covering high target items, however, higher theft deductibles are encouraged.

III. WIND AND HAIL GUIDELINES

1. Exclude wind on all risks located in **Florida**. The exclusion must be signed by the insured/
2. Exclude wind on risks located within 25 miles of any major body of water (except inland lakes and waterways) in the **Gulf Coast States, a) Alabama, b) Georgia, c) Louisiana, d) Mississippi, e) North Carolina, f) South Carolina, g) Texas and h) Virginia**.
3. Exclude wind on risks located within one mile of any major body of water (except inland lakes and waterways) **all states North of Virginia**.

4. Texas Wind/Hail Guidelines:



IV. MINIMUM Rates by Zone

	Habitational	Commercial
Zone 1	* 1.05	.80
Zone 2 Tier 1	** .65	.50
Zone 2 Tier 2	*** .94	.79
Zone 3	* .95	.80
Zone 4	.80	.65
Zone 5	.70	.51
Zone 6	.68	.50

* Rates include 1% wind and hail deductible required

** Rate includes credit for CP-1054 exclusion wind and hail, required

*** Rates include 5% wind and hail deductible (required)

HOT TIP: UNITED NATIONAL IS NOT A MARKET FOR CATASTROPHE COVERAGE!

V. PARTICIPATION

We prefer to write 100% of an account due to our ample capacity. In extenuating circumstances, you may prefer participation with other carriers. When participating on a property account, the Company's participation should represent a percentage of the entire account. When participating on any account, the forms, coverages, pricing, and effective dates used by all participating carriers MUST be concurrent.

We do not wish to participate on a property account that has been split in any other way such as real property being placed with one carrier and personal property being placed with another.

Participating carriers must have a proven track record of financial strength, Questionable carriers should be referred to the Company for approval before participation is considered.

HOT TIP: CALL US BEFORE PARTICIPATING - WE HAVE MORE CAPACITY THAN YOU MAY THINK!

VI. DEDUCTIBLES

Minimums - The following minimum property deductibles apply:

1. For accounts where the total values do not exceed \$50,000, the minimum deductible is \$500,
2. For accounts where total values are \$50,000 or higher, the minimum deductible is \$1,000.
3. A minimum \$2,500 deductible applies to theft on High Target Personal Property. Please refer to Theft Guidelines on page CP-1 for specifics. PLEASE NOTE: **The use of higher deductibles is encouraged.**

HOT TIP: OUR IN-HOUSE PROPERTY CAPACITY EXCEEDS \$5,000,000 AND ADDITIONAL CAPACITY IS AVAILABLE. GIVE US A CALL.

VII. MINIMUM PREMIUMS AND MINIMUM ACCOUNT RATE

1. Property should be rated using ISO loss cost times the loss cost multiplier. (See State Exception Page)
2. Multiply loss costs times loss cost conversion factor to obtain a rate.
3. In no event should the final account rate be less than \$.30. (Exceptions may apply for those risks that have unique characteristics such as Fire Resistive Construction, Approved Sprinkler System, etc., but you are encouraged to consult with the company on these risks.

Our minimum annual policy premium for monoline property is \$350 and \$250 when written as part of a package including General Liability.

(NOTE: OUR POLICY MINIMUM PREMIUM APPLIES, REGARDLESS OF POLICY TERM!)

VIII. ADEQUATE INSURANCE TO VALUE/COINSURANCE

Adequate insurance to value is a key factor in establishing a satisfactory price for the exposures written. The underwriter should be conscious of the average insurable values in any given area of the country to guard against under or over insurance.

Proper insurance to value is even more critical when writing property in a valued policy state.

All real and personal property should be written on an actual cash value basis with a minimum coinsurance of 80%.

Replacement Cost coverage may be considered on buildings in excess of 15 years of age, but in no cases will replacement cost coverage be considered unless the building has been properly updated and maintained, and improvements can be documented. The minimum coinsurance requirement for replacement cost coverage is 90%.

Replacement Cost should not be provided on Contents unless prior written approval is granted by the Company.

IX. FINANCIAL CONDITION OF THE INSURED

An arson application may be required when the financial condition of the insured or applicant is questionable. The arson application must be signed by the Insured and the original must be forwarded to the Company. A sample copy of United National Group's Arson Application is included in this guide.

The following accounts are unacceptable for property coverage:

1. Any account where the insured is in bankruptcy.
2. Any account where the insured is in receivership.
3. Any account where the insured is not otherwise financially sound.

X. PRIOR SUBMIT PROPERTY EXPOSURES

1. Any seasonal property risk.
2. Low income or subsidized habitational properties.
3. New ventures.
4. Any property risk which will be undergoing extensive renovations, particularly structural renovations.
5. Coastal properties - See specific wind and hail guidelines.
6. Any property account with a mortgagee that is other than a financial institution.
7. Properties in Protection Class 8, 9 or 10.
8. Any account with more than one property loss in excess of \$10,000 in the past 3 years.
9. Policies written with no coinsurance, and/or on an agreed amount basis.

XI. SPECIFIC PROHIBITED PROPERTY EXPOSURES:

1. Business classified as either Ocean Marine or Aviation, but the prohibition does not apply to permanently moored restaurants.
2. Growing and/or standing crops or timber.
3. Plate Glass, Fidelity, and Crime Insurance, unless written as part of a multiple peril policy.
4. Flood, Tidal Wave, Wave Wash, and Earthquake Insurance.
5. Difference in Conditions Coverages.
6. Bridges and Tunnels.

7. Livestock Mortality.
8. Railroad Properties.
9. Seasonal or Resort Frame Hotels with limits exceeding \$200,000.
10. Production, storage, or refining of petroleum and its products, except retail gasoline service stations or garages.
11. Insurance that is part of any Pool, Syndicate, or Association.

EXHIBIT B

Jun 09 04 04:06p

in O. Arrascue

6 56-2589

p. 4

ACORD COMMERCIAL INSURANCE APPLICATION				DATE (MM/DD/YY)	
APPLICANT INFORMATION SECTION				05/28/04	
PRODUCER		PHONE (A/C, No, Ext.) 631-366-2033	CARRIER	NAIC CODE:	UNDERWRITER
		FAX (A/C, No, Ext.) 631-366-2589			UNDERWRITER OFF.
ARCO INSURANCE AGENCY		POLICIES OR PROGRAM REQUESTED		Lillie	
68 Croft Lane		Package		POLICY NUMBER	
Smithtown NY 11787		INDICATE THE SECTIONS ATTACHED		TBA	
E-MAIL arco@arcoagency.com		<input checked="" type="checkbox"/> PROPERTY		<input type="checkbox"/> EQUIPMENT FLOATER	
LICENSE Agency Lic#: BR-620749		<input type="checkbox"/> GLASS & SIGN		<input type="checkbox"/> INSTALLATION/BLDRS RISK	
CODE:		ACCTS. REC. / VAL PAPERS		<input checked="" type="checkbox"/> ELECTRONIC DATA PROC	
SUB-CODE:		<input type="checkbox"/> CRIMEMISCELLANEOUS CRIME		<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY	
AGENCY CUSTOMER ID 608		<input type="checkbox"/> TRANSPORTATION/MOTOR TRUCK CARGO		<input type="checkbox"/> BUSINESS AUTO	
		<input type="checkbox"/> TRUCKERS/MOTOR CARRIER		<input type="checkbox"/> UMBRELLA	

STATUS OF TRANSACTION			PACKAGE POLICY INFORMATION		
<input checked="" type="checkbox"/> QUOTE	<input type="checkbox"/> ISSUE POLICY	<input type="checkbox"/> RENEW	ENTER THIS INFORMATION WHEN COMMON DATES APPLY TO SEVERAL LINES, OR FOR MONOLINE POLICIES		
BOUND (Give Date and/or Attach Copy)	PROPOSED EFF.	PROPOSED EXP.	BILLING PLAN	PAYMENT PLAN	AUDIT
CHANGE DATE TIME AM	JUN 1504	JUN 1505	<input checked="" type="checkbox"/> AGENCY BILL		
CANCEL			<input type="checkbox"/> DIRECT BILL		

APPLICANT INFORMATION			MAILING ADDRESS INCL ZIP+4 (of first Named Insured)		
NAME (first Named Insured & other Named Insureds)			212 WEST 122ND ST. APT 1		
C.D. KOBSON INC C/O DIANA EAMTRAKUL			NEW YORK NY 10027		
E-MAIL ADDRESS(ES)			WEBSITE ADDRESS(ES)		
<input type="checkbox"/> INDIVIDUAL	<input checked="" type="checkbox"/> CORPORATION	SUBCHAPTER "S" CORP.	LIMITED LIAB CORP.	CR BUREAU NAME	ID NUMBER
<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> JOINT VENTURE	NOT FOR PROFIT ORG.	NO. OF MEMBERS AND MANAGING		DATE BUSS STARTED
INSPECTION CONTACT			ACCOUNTING RECORDS CONTACT		
DIANA EAMTRAKUL			DIANA EAMTRAKUL		

PREMISES INFORMATION		CITY LIMITS		INTEREST		YR.BUILT	PART OCCUPIED
LOC #	BLD #	STREET,CITY,COUNTY,STATE,ZIP+4	<input checked="" type="checkbox"/> INSIDE	<input checked="" type="checkbox"/> OWNER		1950	Whole
1	1	500 W. 28th Street New York NYC NY 10001	<input type="checkbox"/> OUTSIDE	<input type="checkbox"/> TENANT			
			<input type="checkbox"/> INSIDE	<input type="checkbox"/> OWNER			
			<input type="checkbox"/> OUTSIDE	<input type="checkbox"/> TENANT			
			<input type="checkbox"/> INSIDE	<input type="checkbox"/> OWNER			
			<input type="checkbox"/> OUTSIDE	<input type="checkbox"/> TENANT			

NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS/BY PREMISE(S)

BUILDING RENTED TO OTHERS
 1ST FLOOR - DELICATESSEN
 2ND;3RD;4TH FLOOR - 6 APPARTMENTS (2 per floor)

EXHIBIT

ARRASCUE

2
3-18-08

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES	YES	NO	EXPLAIN ALL "YES" RESPONSES	YES	NO
1a. IS THE APPLICANT A SUBSIDIARY OF ANOTHER ENTITY?		<input checked="" type="checkbox"/>	7. ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENCE, HIRING?		<input checked="" type="checkbox"/>
1b. DOES THE APPLICANT HAVE ANY SUBSIDIARIES?		<input checked="" type="checkbox"/>	8. DURING THE LAST FIVE YEARS (TEN IN RI) HAS ANY APPLICANT BEEN CONVICTED OF ANY DEGREE OF THE CRIME OF ARSON? (In RI, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment.)		<input checked="" type="checkbox"/>
2. IS A FORMAL SAFETY PROGRAM IN OPERATION?		<input checked="" type="checkbox"/>	9. ANY UNCORRECTED FIRE CODE VIOLATIONS?		<input checked="" type="checkbox"/>
3. ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?		<input checked="" type="checkbox"/>	10. ANY BANKRUPTCIES, TAX OR OTHER LIENS AGAINST THE APPLICANT IN THE PAST 5 YEARS.		<input checked="" type="checkbox"/>
4. ANY CATASTROPHE EXPOSURE?		<input checked="" type="checkbox"/>	11. HAS BUSINESS BEEN PLACED IN A TRUST? IF YES, NAME OF TRUST		<input checked="" type="checkbox"/>
5. ANY OTHER INSURANCE WITH COMPANY SUBMITTED?		<input checked="" type="checkbox"/>			
6. ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR 3 YEARS? (Not applicable to RI)		<input checked="" type="checkbox"/>			

REMARKS/PROCESSING INSTRUCTIONS

UNI 00170

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND (NY: SUBSTANTIAL) CIVIL PENALTIES. (NOT APPLICABLE CO, HI, NE, OH, OK, OR or VT; In DC, LA, ME, TN AND VA, Insurance benefits may also be denied)

APPLICANT'S SIGNATURE

PRODUCER'S SIGNATURE

Jun 02 04 01:06p

C. O. Arrascue

63 56-2589

p. 3

PRIOR CARRIER INFORMATION

LINE	CATEGORY	YR:	03-04	YR:	02-03	YR:	99-02	YR:	98-99	YR:
	CARRIER		ZURICH		USF INS CO		UTICA		GENERAL SEC	
	POLICY NUMBER		CPO 3794254-00		24BM0024086-2		BOP1140430-02		22-PK-3012641	
	POLICY TYPE		CLAIMS MADE X OCCURRENCE		CLAIMS MADE X OCCURRENCE		CLAIMS MADE X OCCURRENCE		CLAIMS MADE X OCCURRENCE	
	RETRO DATE									
	EFF-EXP DATE		JUN 5 04							
GENERAL AGGREGATE LIMIT LIABILITY	GENERAL AGGREGATE		2,000,000		2,000,000		2,000,000		2,000,000	
	PRODUCTS COMP OP AGGREGATE		1,000,000		INCLUDED		1,000,000		1,000,000	
	PERSONAL & ADV INJ		1,000,000		1,000,000		1,000,000		1,000,000	
	EACH OCCURRENCE		1,000,000		1,000,000		1,000,000		1,000,000	
	FIRE DAMAGE		1,000,000		100,000		50,000		100,000	
	MEDICAL EXPENSE		5,000		5,000		5,000		5,000	
	BODILY INJURY									
	PROPERTY DAMAGE									
	COMBINED SINGLE LIMIT									
	MODIFICATION FACTOR									
TOTAL PREMIUM										
AUTOMOBILE LIABILITY	CARRIER									
	POLICY NUMBER									
	POLICY TYPE									
	EFF-EXP DATE									
	COMBINED SINGLE LIMIT									
	BODILY INJURY		EA PERSON							
	PROPERTY DAMAGE		EA ACCIDENT							
MODIFICATION FACTOR										
TOTAL PREMIUM										
PROPERTY DAMAGE	CARRIER		ZURICH		USF INS CO		UTICA FIRST		GENERAL SEC	
	POLICY NO.		CPO 3794254-00		24BM0024086-2		BOP1140430-02		22-PK-3012641	
	POLICY TYPE		PKG		PKG		BOP		PKG	
	EFF-EXP DATE		JUN 5 04							
	X BLD AMT		200,000		200,000		239,292		200,000	
	PERS PROP AMT									
	MODIFICATION FACTOR									
TOTAL PREMIUM										
	CARRIER									
	POLICY NO.									
	POLICY TYPE									
	EFF-EXP DATE									
	LIMIT									
MODIFICATION FACTOR										
TOTAL PREMIUM										

LOSS HISTORY

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE PRIOR 5 YEARS (3 YEARS IN KS & IN)					X	CHECK HERE IF NONE	SEE ATTACHED LOSS SUMMARY
DATE OF OCCURRENCE	LINE	TYPE/DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	CLAIM STATUS	
		NONE				OPEN	
						CLOSED	
						OPEN	
						CLOSED	

REMARKS: NOTE: FIDELITY REQUIRES A FIVE YEAR LOSS HISTORY.

STATE SUPPLEMENT(S)

COPY OF THE NOTICE OF INFORMATION PRACTICES (PRIVACY) HAS BEEN GIVEN TO THE APPLICANT. (Not applicable in all states, consult your agent or broker for your state's requirements.)

NOTICE OF INSURANCE INFORMATION PRACTICES

PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU, IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT POLICY RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES. YOU HAVE THE RIGHT TO REVIEW YOUR PERSONAL YOUR PERSONAL INFORMATION IN OUR FILES AND CAN REQUEST CORRECTION OF ANY INACCURACIES. A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING SUCH INFORMATION IS AVAILABLE UPON REQUEST. CONTACT YOUR AGENT OR BROKER FOR INSTRUCTION ON HOW TO SUBMIT A REQUEST TO US.

MAY 12 2004 13:28 FR BENCHMARK MANAGEMENT212 9521386 TO 16313662589

P.02



COMPREHENSIVE EXPERIENCE REPORT
POLICY EXPERIENCE SUMMARY

CLAIM VALUATION AS OF: MAY 12, 2004
ANALYSIS PERIOD 06/05/03-PRESENT

POLICY NUMBER	INSURED
CPO3794254	C.D. KOBSON, INC C/O DIANA EAMATAKUL

TOTAL ALL COVERAGES
POLICY NUMBER - CPO3794254

Retro Premium	Number Claims	Paid	Expense	Open Reserve	Total Losses	Loss Ratio
\$0.00	50.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

JUN 09 04 04:05p

r O. Arrascue

67 36-2589

p. 3

JUN 03 2004 14:41 FR BENCHMARK MANAGEMENT212 9521388 TO 16313662589

P.03/03

JUN-03-04 11:21AM FROM-



USF Insurance Co.
293 Eisenhower Parkway
Livingston, New Jersey 07039

June 3, 2004

Irma Hernandez
Benchmark

Re: Loss Run Request

C.D. Kobson Inc.

24BM0024086-2 06/05/02 - 06/05/03

The following loss history is provided as of March 2004:

No claims on record.

This information applies to the above policy number(s) only. Any other coverage periods written under a different policy number are not reflected in this report.

Michelle Matos

Telephone (973) 422-9700
Fax No. (973) 422-9200
Toll Free: (800) 535-0177

No. 26

** TOTAL PAGE.03 **

Jun 02 04 01:07p

O. Arrascue

67 66-2589

p. 6

ACORD PROPERTY SECTION

DATE (MM/DD/YY)
MAY 28 04

PRODUCER ARCO INSURANCE AGENCY 68 Croft Lane Smithtown NY 11787 F-MAIL: arco@arcoagency.com. CODE: SUB CODE: AGENCY CUSTOMER ID: 608	PHONE (A/C, No. Ext): 631-368-2033 FAX (A/C, No. Ext): 631-368-2589	APPLICANT (First Named Insured) C.D. KOBSON INC C/O DIANA EAMTRAKUL EFFECTIVE DATE: JUN 04 EXPIRATION DATE: JUN 05 X AGENCY BILL PAYMENT PLAN DIRECT BILL AUDIT
--------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

PREMISES INFORMATION		PREMISES #: 1	STREET ADDRESS: 500 W. 28th Street	
BUILDING #: 1		BLOG DESCRIPTION:		
SUBJECT OF INSURANCE	AMOUNT	COINS %	VALUATION	CAUSES OF LOSS
BUILDING	650,000	80%	ACV	BASIC
BUSINESS INCOME	\$50,000	80%	ACV	FIRE

ADDITIONAL INFORMATION		BUSINESS INCOME / EXTRA EXPENSE		BUSINESS INCOME W/O EXTRA EXPENSE		EXTRA EXPENSE	
TYPE OF BUSINESS	ORDINARY PAYROLL	POWERHEAT	EXT PERIOD	TUITION FEES	OFF PREM POWER	DEPEND PROP	
X NON MFG	EXCL INCL	DED DAYS		STUDENTS	POWER	% COIN	
MFG	90 DAYS	ELEC MEDIA	MO PERIOD	OTHER ED SERVING	WATER	CONT LOC	
MINING	180 DAYS	DAYS	LIMIT		COMM (DESCR BELOW)	REC LOC	
% COINS	\$	ORD OR LAW	MAX PERIOD			MFG LOC	
		DAYS				LDR LOC (DESCR BELOW)	
NAME AND ADDRESS(ES) FOR OFF PREM POWER OR DEPEND PROP						EXTRA EXPENSE LIMIT LOSS PAY	
						DAYS PERIOD REST	

ADDITIONAL COVERAGES, OPTIONS, RESTRICTIONS, ENDORSEMENTS AND RATING INFORMATION

CONSTRUCTION TYPE	DISTANCE TO HYDRANT	FIRE DISTRICT/CODE NUMBER	PROT CL	# STORIES	# BASMTS	YR BUILT	TOTAL AREA
BRICK	FT MI			4		1950	3060 SQ/FT
BUILDING IMPROVEMENTS	BLOG CODE GRADE	TAX CODE	ROOF TYPE	OTHER OCCUPANCIES			
WIRING, YR:	PLUMBING, YR:	WIND CLASS		HEATING BOILER ON PREMISES ?			
ROOFING, YR:	HEATING, YR:	RESISTIVE SEMI-RESISTIVE OTHER		IF YES, IS INSURANCE PLACED ELSEWHERE ?			
OTHER:				YES NO			
RIGHT EXPOSURE & DISTANCE	LEFT EXPOSURE & DISTANCE		REAR EXPOSURE & DISTANCE				
BURGLAR ALARM TYPE	CERTIFICATE #	EXPIRATION DATE	EXTENT	GRADE	CENTRAL STATION WITH KEYS		
BURGLAR ALARM INSTALLED AND SERVED BY			# GUARDS/WATCHMEN	CLOCK HOURLY			
PREMISES FIRE PROTECTION (Sprinklers, Standpipes, CO, Chemicals Systems)	% SPRINK	FIRE ALARM MANUFACTURER	CENTRAL STATION				
	0		LOCAL GONG				

ADDITIONAL INTERESTS

RANK:	NAME AND ADDRESS	REFERENCE #:	CERTIFICATE REQUIRED	INTEREST IN ITEM NUMBER
INTERESTS				LOCATION: BUILDING:
LOSS PAYEE				SCHEDULE ITEM NUMBER:
MORTGAGE				OTHER:
ITEM DESCRIPTION				

UNI 00174

VALUE REPORTING INFORMATION

REPORTING FORM: PROVIDE AVERAGE VALUES FOR PAST 12 MONTHS	PREMISES/ BUILDING	ANY OTHER LOCATION DECLARED AT INCEPTION	ANY OTHER LOCATION ACQUIRED AT INCEPTION	PREMISES NOT OWNED OR ACQUIRED LIMIT
SUBJECT OF INSURANCE				

68 Croft La. Smithtown NY 11787
(631) 366-2033 FAX (631) 366-2589

Facsimile Transmittal

To:

MICKIE

Of:

From:

CETAR

Date:

5/2/04

Pages:

7

Re:

C.D. KOBSON - Quote

CC:

☒ Urgent

☐ For Review

☐ Please Comment

☐ Please Replay

Please RSH Quote - present
expires on 6/5/04.

Thank you

CETAR

ARCO Insurance & Financial Services

UNI 00177

EXHIBIT C

EXHIBIT

ARRASQUE

3.18.02

HK

STATE OF NEW YORK
ANTI-ARSON APPLICATION
(NYFA-1) PART 1

M5156187

WARNING: This application must be completed and returned by the applicant or insured pursuant to Section 168-j of the New York Insurance Law and Insurance Department Regulation 96.

NAME OF APPLICANT OR INSURED C.D. GIBSON INC.
 LOCATION OF PROPERTY 500 W. 28th Street N.Y.C. NY 10001
 Amount of Insurance \$ 650,000 Applicant is: ☐ Owner Occupant ☒ Absentee Owner ☐ Tenant ☐ Other
 OCCUPANCY(IES) MERCANTILE / RESIDENTIAL

VALUATION: This information helps to explain the amount of insurance selected at the time of application, but does not determine the value at the time of loss.

PURCHASE INFORMATION: Date _____ Price \$ 225,000 Cost of subsequent improvements \$ 150,000
 Estimated Replacement Cost \$ _____ Estimated Fair Market Value (exclusive of land) \$ 750,000
 For rental properties, indicate the Annual Rental Income \$ 80,000

Check the valuation method used to establish the amount of insurance:

☒ Replacement Cost

☐ Replacement Cost Less Physical Depreciation

☐ Fair Market Value (exclusive of land)

☐ Other _____

Who determined the value? INSURANCE Co.

Attach a copy of any appraisal.

UNDERWRITING INFORMATION: If the answer to any of the following questions is "yes" complete the corresponding numbered section of Part 2.

	YES	NO
1. Is the applicant other than an individual or sole proprietorship?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Are any mortgage payments (building or contents) overdue by 3 months or more?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Are there any real estate tax liens or other tax liens against the property or real estate taxes overdue for one year or more?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Are there any outstanding recorded violations of fire, safety, health, building or construction codes at this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Has anyone with a financial interest in this property been convicted of arson, fraud or other crimes related to loss on property during the last 5 years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Is the mortgagee other than a federal or state chartered lending institution?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Except where federal or state chartered lending institutions are the applicants, please furnish the following information: Have there been fire losses during the past five years exceeding \$1,000 in damages to this property or to any property in which the applicant has an equity interest as an owner or mortgagee?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. (a) If the property is commercial, is more than 10% of the rentable space vacant, unoccupied or seasonal?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) If the property is residential, are 5% or more of the apartments vacant, unoccupied or seasonal?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) Is the water, sewage, electricity or heat out of service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. OTHER POLICIES:		
(a) Is there any other insurance in force or applied for on this property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Has any coverage or policy on this property been declined, cancelled or non-renewed in the last 3 years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10. Has this property been under the ownership of the applicant for less than 3 years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

THE PROPOSED INSURED AFFIRMS THAT THE FOREGOING INFORMATION IS TRUE AND AGREES THAT THESE APPLICATIONS SHALL CONSTITUTE A PART OF ANY POLICY ISSUED WHETHER ATTACHED OR NOT AND THAT ANY WILLFUL CONCEALMENT OR MISREPRESENTATION OF A MATERIAL FACT OR CIRCUMSTANCES SHALL BE GROUNDS TO RESCIND THE INSURANCE POLICY.

SIGNATURE OF PROPOSED INSURED

TITLE

DATE

INSUREDS SHALL NOTIFY THE INSURER IN WRITING OF ANY CHANGE IN THE INFORMATION CONTAINED HEREIN, UPON RENEWAL OR ANNUALLY WHICHEVER IS SOONER. FAILURE TO COMPLY MAY RESULT IN RESCISSION OF YOUR POLICY.

OWNERSHIP INFORMATION:

List the names and addresses of:

Shareholders of a corporation Partners, including limited partners Trustees and beneficiaries

Note: List only those possessing an ownership interest of 25% or more, except for close corporations and beneficiaries where all owners should be listed.

NAME	ADDRESS	POSITION	INTEREST %
DOUNGRAT EAM TRAKUL	102 W. 118 ST.	Pres.	100%

2. Mortgage Payments: Mortgagee _____ Date Due _____ Amount Due \$ _____

List any other encumbrances: _____

3. Unpaid Taxes or Unpaid Liens: Type _____ Date Due _____ Amount Due \$ _____

4. Code Violations: Date _____ Describe _____

5. Convictions: Date _____ Describe _____

Name of Person _____

6. Name(s) of Unchartered Mortgagee(s): _____

7. Losses:

Location

Date

Amount

Description

8. Vacancy and/or unoccupancy:

Indicate seasonal period (if any) when building is unused: _____

For apartment buildings indicate: Total Units _____ Unoccupied Units _____

For other buildings indicate: Vacancy _____ % Unoccupancy _____ %

For all buildings indicate the following:

Reason for vacancy/unoccupancy: _____

Anticipated date of occupancy: _____

If the building is vacant or unoccupied, indicate how it is protected from unauthorized entry: _____

YES NO

Is there a governmental order to vacate or destroy the building or has the building been classified as uninhabitable or structurally unsafe? _____

If water, sewage, electricity or heat is out of service, explain circumstances: _____

Is there unrepaired damage or have items been stripped from the building? _____

If Yes, Describe: _____

Is the building for sale? If Yes, date put up for sale: _____

9. OTHER POLICIES: Indicate status: (In force, applied for, declined, cancelled or nonrenewed)

Status

Date

Amount of Insurance

Carrier

Policy #

10. List all real estate transactions during last 3 years involving this property.

Date	Selling Price	Name of Seller	Amount of Mortgage	Mortgagee
	\$		\$	

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

THE PROPOSED INSURED AFFIRMS THAT THE FOREGOING INFORMATION IS TRUE AND AGREES THAT THESE APPLICATIONS SHALL CONSTITUTE A PART OF ANY POLICY ISSUED WHETHER ATTACHED OR NOT AND THAT ANY WILLFUL CONCEALMENT OR MISREPRESENTATION OF A MATERIAL FACT OR CIRCUMSTANCES SHALL BE GROUNDS TO RESCIND THE INSURANCE POLICY.

SIGNATURE OF PROPOSED INSURED

TITLE

DATE

UNI 00119

STATE OF NEW YORK
ANTI-ARSON APPLICATION
(NYFA-1) PART 1

195156187

ARRAS 4
3/18/08

ING: This application must be completed and returned by the applicant or insured pursuant to Section 168-j of the New York Insurance Law and Insurance Department Regulation 96.

NAME OF APPLICANT OR INSURED C.D. KOBSON, INC
 LOCATION OF PROPERTY 500 W. 28TH STREET, NEW YORK, NY 10001
 Amount of Insurance \$ 650,000 Applicant is: ☐ Owner Occupant ☐ Absentee Owner ☐ Tenant ☐ Other
 OCCUPANCY(IES) MERCANTIL / RESIDENTIAL

VALUATION: This information helps to explain the amount of insurance selected at the time of application, but does not determine the value at the time of loss.

PURCHASE INFORMATION: Date _____ Price \$ 225,000 Cost of subsequent improvements \$ 150,000
 Estimated Replacement Cost \$ _____ Estimated Fair Market Value (exclusive of land) \$ 750,000

For rental properties, indicate the Annual Rental Income \$ 80,000

Check the valuation method used to establish the amount of insurance:

☒ Replacement Cost☐ Fair Market Value (exclusive of land)☐ Replacement Cost Less Physical Depreciation☐ Other _____Who determined the value? INSURANCE CO.

Attach a copy of any appraisal

UNDERWRITING INFORMATION: If the answer to any of the following questions is "yes" complete the corresponding numbered section of Part 2.

- | | YES | NO |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 1. Is the applicant other than an individual or sole proprietorship? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Are any mortgage payments (building or contents) overdue by 3 months or more? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Are there any real estate tax liens or other tax liens against the property or real estate taxes over due for one year or more? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Are there any outstanding recorded violations of fire, safety, health, building or construction codes at this location? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Has anyone with a financial interest in this property been convicted of arson, fraud or other crimes related to loss on property during the last 5 years? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Is the mortgagee other than a federal or state chartered lending institution? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Except where federal or state chartered lending institutions are the applicants, please furnish the following information:
Have there been fire losses during the past five years exceeding \$1000 in damages to this property or to any property in which the applicant has an equity interest as an owner or mortgagee? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 8. (a) If the property is commercial, is more than 10% of the rentable space vacant, unoccupied or seasonal? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (b) If the property is residential, are 5% or more of the apartments vacant, unoccupied or seasonal? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (c) Is the water, sewage, electricity or heat out of service? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. OTHER POLICIES: | | |
| (a) Is there any other insurance in force or applied for on this property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (b) Has any coverage or policy on this property been declined, cancelled or non-renewed in the last 3 years? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Has this property been under the ownership of the applicant for less than 3 years? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO FRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

THE PROPOSED INSURED AFFIRMS THAT THE FOREGOING INFORMATION IS TRUE AND AGREES THAT THESE APPLICATIONS SHALL CONSTITUTE A PART OF ANY POLICY ISSUED WHETHER ATTACHED OR NOT AND THAT ANY WILLFUL CONCEALMENT OR MISREPRESENTATION OF A MATERIAL FACT OR CIRCUMSTANCES SHALL BE GROUNDS TO RESCIND THE INSURANCE POLICY.

SIGNATURE OF PROPOSED INSURED

TITLE

DATE

INSURED SHALL NOTIFY THE INSURER IN WRITING OF ANY CHANGE IN THE INFORMATION CONTAINED HEREIN, UPON RENEWAL OR ANNUALLY WHICHEVER IS SOONER. FAILURE TO COMPLY MAY RESULT IN RESCISSION OF YOUR POLICY.

**STATE OF NEW YORK
ANTI-ARSON APPLICATION
(NYFA-1) PART 2**

OWNERSHIP INFORMATION:

List the names and addresses of:

Shareholders of a corporation

Partners, including limited partners

Trustees and beneficiaries

Note: List only those possessing an ownership interest of 25% or more, except for close corporations and beneficiaries where all owners should be listed.

NAME	ADDRESS	POSITION	INTEREST %
------	---------	----------	------------

Mortgage Payments: Mortgagee	Date Due	Amount Due \$
------------------------------	----------	---------------

List any other encumbrances:

Unpaid Taxes or Unpaid Liens: Type	Date Due	Amount Due \$
------------------------------------	----------	---------------

Code Violations: Date	Describe
-----------------------	----------

Convictions: Date	Describe
-------------------	----------

Name of Person

Name(s) of Unchartered Mortgagee(s):

Losses:

Location

Date

Amount

Description

\$

Vacancy and/or unoccupancy:

Indicate seasonal period (if any) when building is unused:

For apartment buildings indicate: Total Units _____ Unoccupied Units _____

For other buildings indicate: Vacancy _____ % Unoccupancy _____ %

For all buildings indicate the following:

Reason for vacancy/unoccupancy:

Anticipated date of occupancy:

If the building is vacant or unoccupied, indicate how it is protected from unauthorized entry:

YES NO

Is there a governmental order to vacate or destroy the building or has the building been classified as uninhabitable or structurally unsafe?

If water, sewage, electricity or heat is out of service, explain circumstances:

Is there unrepaired damage or have items been stripped from the building?

If Yes, Describe:

Is the building for sale? If Yes, date put up for sale:

OTHER POLICIES: Indicate status: (in force, applied for, declined, cancelled or nonrenewed)

Status	Date	Amount of Insurance	Carrier	Policy #
--------	------	---------------------	---------	----------

\$

List all real estate transactions during last 3 years involving this property.

Date	Selling Price	Name of Seller	Amount of Mortgage	Mortgagee
------	---------------	----------------	--------------------	-----------

\$

\$

PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON
ES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE
FORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT
TERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE
JECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE
IM FOR EACH SUCH VIOLATION.

PROPOSED INSURED AFFIRMS THAT THE FOREGOING INFORMATION IS TRUE AND AGREES THAT THESE
LICATIONS SHALL CONSTITUTE A PART OF ANY POLICY ISSUED WHETHER ATTACHED OR NOT AND THAT
WILLFUL CONCEALMENT OR MISREPRESENTATION OF A MATERIAL FACT OR CIRCUMSTANCES SHALL
GROUNDS TO RESCIND THE INSURANCE POLICY.

SIGNATURE OF PROPOSED INSURED

TITLE

UNI 00110

DATE

ARRAQUE 5
3/18/08 HLCSTATE OF NEW YORK
ANTI-ARSON APPLICATION
(NYFA-1) PART 1

M5156187

WARNING: This application must be completed and returned by the applicant or insured pursuant to Section 168-j of the New York Insurance Law and Insurance Department Regulation 96.

NAME OF APPLICANT OR INSURED C.D. KOBSON INC
 LOCATION OF PROPERTY 500 W 28TH STREET NEW YORK NY 10001
 Amount of Insurance \$ 650,000 Applicant is: ☐ Owner Occupant ☒ Absentee Owner ☐ Tenant ☐ Other
 OCCUPANCY(IES) MERCANTIL / RESIDENTIAL

VALUATION: This information helps to explain the amount of insurance selected at the time of application, but does not determine the value at the time of loss.

PURCHASE INFORMATION: Date _____ Price \$ 225,000 Cost of subsequent improvements \$ 150,000
 Estimated Replacement Cost \$ _____ Estimated Fair Market Value (exclusive of land) \$ _____
 For rental properties, indicate the Annual Rental Income \$ _____
 Check the valuation method used to establish the amount of insurance:
☒ Replacement Cost ☐ Fair Market Value (exclusive of land)
☐ Replacement Cost Less Physical Depreciation ☐ Other _____
 Who determined the value? INSURANCE COMPANY Attach a copy of any appraisal.

UNDERWRITING INFORMATION: If the answer to any of the following questions is "yes" complete the corresponding numbered section of Part 2.

	YES	NO
1. Is the applicant other than an individual or sole proprietorship?		<input checked="" type="checkbox"/>
2. Are any mortgage payments (building or contents) overdue by 3 months or more?		<input checked="" type="checkbox"/>
3. Are there any real estate tax liens or other tax liens against the property or real estate taxes over due for one year or more?		<input checked="" type="checkbox"/>
4. Are there any outstanding recorded violations of fire safety, health, building or construction codes at this location?		<input checked="" type="checkbox"/>
5. Has anyone with a financial interest in this property been convicted of arson, fraud or other crimes related to loss on property during the last 5 years?		<input checked="" type="checkbox"/>
6. Is the mortgagee other than a federal or state chartered lending institution?		<input checked="" type="checkbox"/>
7. Except where federal or state chartered lending institutions are the applicants, please furnish the following information: Have there been fire losses during the past five years exceeding \$1000 in damages to this property or to any property in which the applicant has an equity interest as an owner or mortgagee?		<input checked="" type="checkbox"/>
8. (a) If the property is commercial, is more than 10% of the rentable space vacant, unoccupied or seasonal? (b) If the property is residential, are 5% or more of the apartments vacant, unoccupied or seasonal? (c) Is the water, sewage, electricity or heat out of service?		<input checked="" type="checkbox"/>
9. OTHER POLICIES: (a) Is there any other insurance in force or applied for on this property? (b) Has any coverage or policy on this property been declined, cancelled or non-renewed in the last 3 years?		<input checked="" type="checkbox"/>
10. Has this property been under the ownership of the applicant for less than 3 years?		<input checked="" type="checkbox"/>

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

THE PROPOSED INSURED AFFIRMS THAT THE FOREGOING INFORMATION IS TRUE AND AGREES THAT THESE APPLICATIONS SHALL CONSTITUTE A PART OF ANY POLICY ISSUED WHETHER ATTACHED OR NOT AND THAT ANY WILLFUL CONCEALMENT OR MISREPRESENTATION OF A MATERIAL FACT OR CIRCUMSTANCES SHALL BE GROUNDS TO RESCIND THE INSURANCE POLICY.

SIGNATURE OF PROPOSED INSURED

TITLE

DATE

INSUREDS SHALL NOTIFY THE INSURER IN WRITING OF ANY CHANGE IN THE INFORMATION CONTAINED HEREIN, UPON RENEWAL OR ANNUALLY WHICHEVER IS SOONER. FAILURE TO COMPLY MAY RESULT IN RESCISSION OF YOUR POLICY.

**STATE OF NEW YORK
ANTI-ARSON APPLICATION
(NYFA-1) PART 2**

OWNERSHIP INFORMATION:

1. List the names and addresses of:

Shareholders of a corporation

Partners, including limited partners

Trustees and beneficiaries

Note: List only those possessing an ownership interest of 25% or more, except for close corporations and beneficiaries where all owners should be listed.

NAME

ADDRESS

POSITION

INTEREST %

2. Mortgage Payments: Mortgagee _____ Date Due _____ Amount Due \$ _____
List any other encumbrances: _____
3. Unpaid Taxes or Unpaid Liens: Type _____ Date Due _____ Amount Due \$ _____
4. Code Violations: Date _____ Describe _____
5. Convictions: Date _____ Describe _____
6. Name(s) of Unchartered Mortgagee(s): _____ Name of Person _____

7. Losses:

Location

Date

Amount

Description

\$

8. Vacancy and/or unoccupancy:

Indicate seasonal period (if any) when building is unused: _____

For apartment buildings indicate: Total Units _____ Unoccupied Units _____

For other buildings indicate: Vacancy _____ % Unoccupancy _____ %

For all buildings indicate the following:

Reason for vacancy/unoccupancy: _____

Anticipated date of occupancy: _____

If the building is vacant or unoccupied, indicate how it is protected from unauthorized entry: _____

YES NO

Is there a governmental order to vacate or destroy the building or has the building been classified as uninhabitable or structurally unsafe? _____

If water, sewage, electricity or heat is out of service, explain circumstances: _____

Is there unrepaired damage or have items been stripped from the building? _____

If Yes, Describe: _____

Is the building for sale? If Yes, date put up for sale: _____

9. OTHER POLICIES: Indicate status: (In force, applied for, declined, cancelled or nonrenewed)

Status

Date

Amount of Insurance

Carrier

Policy #

\$

10. List all real estate transactions during last 3 years involving this property.

Date

Selling Price

Name of Seller

Amount of Mortgage

Mortgagee

\$

\$

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

THE PROPOSED INSURED AFFIRMS THAT THE FOREGOING INFORMATION IS TRUE AND AGREES THAT THESE APPLICATIONS SHALL CONSTITUTE A PART OF ANY POLICY ISSUED WHETHER ATTACHED OR NOT AND THAT ANY WILLFUL CONCEALMENT OR MISREPRESENTATION OF A MATERIAL FACT OR CIRCUMSTANCES SHALL BE GROUNDS TO RESCIND THE INSURANCE POLICY.

SIGNATURE OF PROPOSED INSURED

TITLE

UNI 00102

DATE

EXHIBITSTATE OF NEW YORK
ANTI-ARSON APPLICATION
(NYFA-1) PART 1

POLICY #: M5200158

WARNING: This application must be completed and returned by the applicant or insured pursuant to Section 168-j of the New York Insurance Law and Insurance Department Regulation 96.

NAME OF APPLICANT OR INSURED C.D. KOBSON INC
LOCATION OF PROPERTY 500 W 28TH STREET NEW YORK NY 10001
Amount of Insurance \$ 800,000 Applicant is: ☐ Owner Occupant ☒ Absentee Owner ☐ Tenant ☐ Other
OCCUPANCY(IES)

VALUATION: This information helps to explain the amount of insurance selected at the time of application, but does not determine the value at the time of loss.

PURCHASE INFORMATION: Date 1982 Price \$ 225,000 Cost of subsequent improvements \$ 150,000
Estimated Replacement Cost \$ Estimated Fair Market Value (exclusive of land) \$
For rental properties, indicate the Annual Rental Income \$

Check the valuation method used to establish the amount of insurance:

☒ Replacement Cost☐ Fair Market Value (exclusive of land)☐ Replacement Cost Less Physical Depreciation☐ Other

Who determined the value? INSURANCE COMPANY Attach a copy of any appraisal.

UNDERWRITING INFORMATION: If the answer to any of the following questions is "yes" complete the corresponding numbered section of Part 2.

- | | YES | NO |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 1. Is the applicant other than an individual or sole proprietorship? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Are any mortgage payments (building or contents) overdue by 3 months or more? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Are there any real estate tax liens or other tax liens against the property or real estate taxes over due for one year or more? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Are there any outstanding recorded violations of fire, safety, health, building or construction codes at this location? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Has anyone with a financial interest in this property been convicted of arson, fraud or other crimes related to loss on property during the last 5 years? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Is the mortgagee other than a federal or state chartered lending institution? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Except where federal or state chartered lending institutions are the applicants, please furnish the following information:
Have there been fire losses during the past five years exceeding \$1000 in damages to this property or to any property in which the applicant has an equity interest as an owner or mortgagee? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 8. (a) If the property is commercial, is more than 10% of the rentable space vacant, unoccupied or seasonal? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (b) If the property is residential, are 5% or more of the apartments vacant, unoccupied or seasonal? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (c) Is the water, sewage, electricity or heat out of service? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. OTHER POLICIES: | | |
| (a) Is there any other insurance in force or applied for on this property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (b) Has any coverage or policy on this property been declined, cancelled or non-renewed in the last 3 years? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Has this property been under the ownership of the applicant for less than 3 years? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

THE PROPOSED INSURED AFFIRMS THAT THE FOREGOING INFORMATION IS TRUE AND AGREES THAT THESE APPLICATIONS SHALL CONSTITUTE A PART OF ANY POLICY ISSUED WHETHER ATTACHED OR NOT AND THAT ANY WILLFUL CONCEALMENT OR MISREPRESENTATION OF A MATERIAL FACT OR CIRCUMSTANCES SHALL BE GROUNDS TO RESCIND THE INSURANCE POLICY.

SIGNATURE OF PROPOSED INSURED

President

C.D. KOBSON INC

DATE

7/7/07

INSURED SHALL NOTIFY THE INSURER IN WRITING OF ANY CHANGE IN THE INFORMATION CONTAINED HEREIN, UPON RENEWAL OR ANNUALLY WHICHEVER IS SOONER. FAILURE TO COMPLY MAY RESULT IN RESCISSION OF YOUR POLICY.

STATE OF NEW YORK
ANTI-ARSON APPLICATION
(NYFA-1) PART 2

OWNERSHIP INFORMATION:

List the names and addresses of:

Shareholders of a corporation

Partners, including limited partners

Trustees and beneficiaries

Note: List only those possessing an ownership interest of 25% or more, except for close corporations and beneficiaries where all owners should be listed.

NAME	ADDRESS	POSITION	INTEREST %
DIANA EAMTRAKUL	500 W 28TH ST NY NY 10001	OWNER	100
DOUGLASS	Columbia Capital Fund		
Mortgage Payments: Mortgagee		Date Due	Amount Due \$
		JUN 2008	700,000
List any other encumbrances:			
Unpaid Taxes or Unpaid Liens: Type		Date Due	Amount Due \$
N/A			
Code Violations: Date		Describe	
		N/A	
Convictions: Date		Describe	
		None	
		Name of Person	
Name(s) of Unchartered Mortgagee(s):			
N/A			

Losses:

Location	Date	Amount	Description
N/A			

Vacancy and/or unoccupancy:

Indicate seasonal period (if any) when building is unused:

For apartment buildings indicate: Total Units 6 Unoccupied Units 0For other buildings indicate: Vacancy 1 % Unoccupancy 1 %

For all buildings indicate the following:

Reason for vacancy/unoccupancy:

Anticipated date of occupancy:

If the building is vacant or unoccupied, indicate how it is protected from unauthorized entry:

Tenant Left

N/A

N/A

YES NO

Is there a governmental order to vacate or destroy the building or has the building been classified as uninhabitable or structurally unsafe?

☒

If water, sewage, electricity or heat is out of service, explain circumstances:

Is there unrepaired damage or have items been stripped from the building?

☒

If Yes, Describe:

Is the building for sale? If Yes, date put up for sale:

☒

OTHER POLICIES: Indicate status: (In force, applied for, declined, cancelled or nonrenewed)

Status	Date	Amount of Insurance	Carrier	Policy #
N/A				

UNI 00210

10. List all real estate transactions during last 3 years involving this property.

Date	Selling Price	Name of Seller	Amount of Mortgage	Mortgagee
None				

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

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SIGNATURE OF PROPOSED INSURED

TITLE

DATE

C.D. Kobsmas Inc.

UG 126 (11-94)

EXHIBIT D

EXHIBIT

UNITED NATIONAL GROUP RENEWAL APPLICATION

ARRANGE 7
3/18/08 d.k.Policy No.: M5200158 Policy Term: 06/15/07 to 06/15/08Named Insured: C.D. KOBSON INCAddress: 500 W. 28TH ST NEW YORK NY 10001

This Short Form Renewal Application is designed to capture any changes in operations since the prior policy was issued. This application may only be used if a full Acord application has been completed for a previous term. Provide information, which differs from the original application.

1. Is there any change in insured's operation? Yes ☒ No

If so, please describe:

2. If there are any additional premises, please list. No Changes

LOC #	BLDG #	STREET, CITY, STATE, ZIP CODE	INTEREST	YEAR	PART

3. Loss History – Please update any loss information that was not listed on the original application(s): No Changes

2007
JUL 30
AM 10:52
UNIVERSAL AGENCY INC

DATE OF OCC	LINE	TYPE/DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	
		NONE				

RECEIVED

JUL 26 2007

RENEWAL APPLICATION

4. List any Property or Casualty additions or changes below.

✓ No Changes

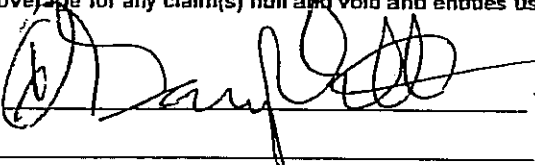
LOC#	CLASS CODE	CLASSIFICATION	PREMIUM BASIS

LOC#	SUBJECT OF INSURANCE	AMOUNT	COINS %	VALUATION	CAUSE OF LOSS

LOC#	CONSTRUCTION TYPE	PROTECTION CLASS	YEAR BUILT	TOTAL AREA

The applicant agrees, represents and warrants that the statements and information contained in the application for insurance, including all statements, information and documents accompanying or relating to the application are accurate and complete and no facts have been suppressed, omitted or misstated. Failure to fully disclose the information requested in the application for insurance, whether by omission or suppression, or any misrepresentation in the statements, information and documents accompanying or relating to the application, renders coverage for any claim(s) null and void and entitles us to rescind the policy from it's inception.

Signature of Applicant:



Title:

President C.D. Robinson, Jr.

Agency:

Producer Code:

Date:

2/7/07

*Signing this application does not bind the applicant or the company to complete the insurance.

EXHIBIT E

ARCO INSURANCE AGENCY

68 Croft Lane
Smithtown NY 11787
Phone (631) 366-2033
sales@arcoagency.com

Fax 631-366-2589
Agency Lic#: BR-620749

EXHIBIT

ARRASQUE 10
3/18/08

October 23, 2007

Insured: C.D. KOBSON INC C/O DIANA EAMTRA
Company: United National Specialties
Policy #: M5200158
Policy Period: JUN 15 07 To: JUN 15 08
Agency Lic#: BR-620749

Total Number of Pages: 1

Mickie Colon - Comc. Undew.

Phone: 516-488-4747 xl 3219

Fax: (516) 302-8090

Attention: Mickie Colon

Re: C.D. Kobson Inc., Pol# M5200158

*On file in my file
H/KP10 10/25/07
or 10/25/07*

Dear Mickie:

See letter & documentation just received from insured in reference to property insured by above policy, these are self explanatory, please notify insurance co. and advise ASAP of next step to follow.

Sincerely,

Cesar O. Arrascue, BROKER
caz@arcoagency.com

caz

Enclosure: Insured's
letter, NYC DOB
Emergency Declaration
Letters.

FAKED
10/23/07

10/22/2007 23:19

2128664411

DEANTRAKUL

PAGE 01

C.D. Kobsons, Inc.
212 West 122nd St., Suite 1
New York, NY 10027
Tel. 212-866-4411
Cell 1-917-447-6534

October 23, 2007

To: Arco Insurance Agency
68 Croft Lane
Smithtown, NY 11787
Attn: Cesar O-Arrascue

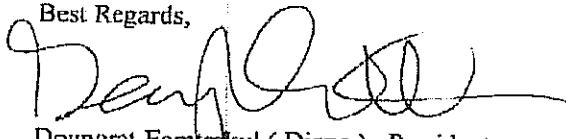
P# M5200158.

Ref: 311 Tenth Avenue a/k/a 500 West 28th Street NY, NY 10001

Dear Mr. Cesar,

I received a letter from NYC Department of Buildings commissioner and emergency Declaration regarding the unsafe condition of the building. Our engineer will contact DOB to comply with the repairs or demolishing the building. I was advised to notify you and please notify our Insurance Carrier accordingly. Thank you for your cooperation.

Best Regards,


Doungrat Eamtrakul (Diane) , President
C.D. Kobsons, Inc.

RECEIVED
OCT 23 2007

Encl: -DOB letter Oct, 17
-Emergency Declaration
VIA FAX & FIRST CLASS CERT. OF MAILING

10/22/2007 23:19 2128654411

DEAMTRAKLIL

PAGE 02



NYC Department of Buildings
280 Broadway, New York, NY 10007

Patricia J. Lancaster, FAIA, Commissioner

Christopher M. Santulli, P.E.
Borough Commissioner
Manhattan Borough Office
Phone: (212) 566-0011
Fax: (212) 566-5575
E-mail: christophers@buildings.nyc.gov

October 17, 2007

C. D. Kobsons, Inc.
212 West 122nd Street
New York, NY 10027

EMERGENCY DECLARATION
RE: 311 Tenth Avenue aka 500 West 28th St.
Block: 699; Lot: 37

To Whom It May Concern:

The referenced building, or portion thereof, has been declared unsafe and in imminent peril. It must be repaired or demolished immediately. The responsibility to take such action is yours and, because of the severity of the condition, the work must begin immediately. If you fail to do so, the City will perform the commencement of remedial work. If you fail to do so, the City will perform the necessary work and seek to recover its expenses from you. You are advised to contact the Manhattan Borough Commissioner's office at (212) 566-0011 to address this issue.

Sincerely,

A handwritten signature in dark ink, appearing to read "Chris Santulli", written over a horizontal line.

Christopher M. Santulli, P.E.
Borough Commissioner
Manhattan

CMS/vw

cc: Fatma Amer, Deputy Commissioner & Chief Code Engineer, Tech. Affairs
Michael Alacha, Assistant Commissioner of Engineering and Emergency Services
Dennis Zambotti, Administrative Chief Inspector
Emergency Decl. File
Premises File

RECEIVED
OCT 23 2007

10/22/2007 23:19

2128664411

DEAMTRAKUL

PAGE 03

NYC BUILDINGS

EMERGENCY DECLARATION FORM

To: Office of Operations

From: Christopher M. Santulli, P.E., Borough Commissioner, Manhattan

Subject: ☐ Immediate Emergency Declaration ☒ Emergency Declaration

Premises: 311 Tenth Ave. aka 500 West 28 th Street	Owner
Borough: Manhattan	C. D. Kobsons, Inc.
Block/Lot: 629/37	212 West 122 nd St.
C.B.: 104	New York, NY 10027
<input checked="" type="checkbox"/> Occupied <input type="checkbox"/> Unoccupied <input type="checkbox"/> Vacated	

Conditions of Structure and Recommended Remedy:

Second, third and fourth stories have sagged + or - 4", at the center of the building. Structural cracks have developed at exposure 4 (north wall), and interior partitions. The wood stair-assembly, at all stories, is out of level.

Remedy: Provide temporary shoring at the cellar and first story.

Naweed Chaudhri, P.E. (on 10/15/07) and Inspector Pugach inspected this structure on 10/15/07 and 10/16/07 and requests that the condition above described be made safe by ☐ demolition ☐ repair ☐ sealing ☐ sidewalk shed ☐ fence ☒ shoring, or ☐ other (describe) _____ in order to ensure the public safety.

Complete Only For Unsafe Buildings		Minor Complete	
Unsafe Building Information		Building Description	
UB #:		Height/Stories:	40' / 4 Stories
Issuance Date:		Construction Class:	C-III
Survey Date:		Occupancy Class:	Commercial/M.D.
Precept Date:		Hazardous Violation:	090507C04VP03, 04 101607C04VP04, 05

Concurred:


 Administrative Chief Inspector

Date

10/17/07

Approved:


 Borough Commissioner

Date

10/17/07

OP-32 (Rev. 11/03)

RECEIVED

OCT 23 2007

EXHIBIT F

NAME AND ADDRESS OF INSURANCE COMPANY

United National Specialty Insurance Company
Three Bala Plaza, East Suite: 300
Bala Cynwyd PA 19004

ELECTRONICALLY
ENTERED

16/6/25/07

NAME AND ADDRESS OF INSURED

C.D. Kobson Inc. c/o Diana Eamtrakul
212 West 122nd Street, Apt 1
New York NY 10027

LHOHOUNITO L.M. Jr.

KIND OF POLICY:

Commercial Insurance Policy

POLICY/APPLICATION/BINDER NO.: M 5200156

EFFECTIVE DATE OF NOTICE:

11/27/07

(DATE)

12:01 AM

(HOUR-STANDARD TIME AT THE ADDRESS OF THE INSURED)

DATE OF MAILING: 10/25/07

NAME AND ADDRESS OF AGENT

Morstan General Agency, Inc.
P.O. Box 4500
Manhasset NY 11030-4500

BROKER:

Arco Insurance
68 Croft Lane
Smithtown NY 11787

IF YOU HAVE ANY QUESTIONS IN REGARD TO THIS TERMINATION, PLEASE CONTACT THIS COMPANY'S REPRESENTATIVE AT (company phone number, name of company representative, company address): Marcia Clapman (516) 488-4747 Ext. 3246

Morstan General Agency, Inc. P.O. Box 4500 Manhasset NY 11030-4500

THE NEW YORK INSURANCE LAW PROHIBITS INSURERS FROM ENGAGING IN REDLINING PRACTICES BASED UPON GEOGRAPHIC LOCATION OF THE RISK OR THE PRODUCER. IF YOU HAVE ANY REASON TO BELIEVE THAT WE HAVE ACTED IN VIOLATION OF SUCH LAW, YOU MAY FILE YOUR COMPLAINT WITH THE DEPARTMENT EITHER ON ITS WEBSITE AT WWW.INS.STATE.NY.US/COMPLHOW.HTM OR BY WRITING TO THE STATE OF NEW YORK INSURANCE DEPARTMENT, CONSUMER SERVICE BUREAU, AT EITHER 25 BEAVER STREET, NEW YORK, NEW YORK 10004-2319 OR ONE COMMERCE PLAZA, ALBANY, NEW YORK 12257.

ALSO SEE ADDITIONAL INFORMATION FOR INFORMATION ON PROCUREMENT OF INSURANCE
(Applicable item marked "X")

☒ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that your insurance will cease at and from the hour and date mentioned above.
Reason(s) for cancellation. See statutory reason(s) designated by Code No(s). 5E contained in this notice. If Code No. 8 applies, note the procedure in the Code No. 8 item if you wish to have an Insurance Department review.
Reason(s)/Grounds for cancellation other than statutory reason(s) or, if required, supplementary to statutory reason(s) are given in the "Important Notices" section.
If cancellation is due to nonpayment of premium, the amount of premium due is _____.
If cancellation is due to nonpayment of premium, payment of overdue premium to us, or your agent or broker will be considered timely if made within 15 days after the mailing of this notice. If payment is made, contact us or your agent or broker immediately.
See the "Important Notices" section in this form for "Information on Losses" and other information that may apply.

☐ Unearned premium will be returned in accordance with New York law and the terms of the policy.
☐ Enclosed is \$ _____, being the amount of return premium at pro rata for the unexpired term of this policy.
☐ A bill for the premium earned to the time of cancellation will be forwarded in due course.
☐ Other: _____

☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that the above mentioned policy will expire effective at and from the hour and date mentioned above and the policy will NOT be renewed for the specific reason(s) stated in the "Important Notice" section.
See the "Important Notices" section for "Information on Losses" and other information that may apply.

☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that the above mentioned policy, which will expire effective at and from the hour and date mentioned above, will be renewed, however, the renewal will be conditioned on one or more of the following changes being made in the renewal policy (such being a change of limits, change in type of coverage, reduction of coverage, increased deductible, addition of exclusion or increased premium(s) in excess of 10 percent, exclusive of any premium increases generated as a result of increased exposure units, pursuant to law or as a result of experience rating, loss rating, retrospective rating or audit, except with respect to an excess liability policy, renewal may also be conditioned upon requirements relating to underlying coverage):

UNI 00203

Contact your agent, broker or this company if more specific pricing information is desired.
See the "Important Notices" section in this form for specific reason(s) for conditioned renewal, "Information on Losses" and other information that may apply.

(Advance Notice of Nonrenewal or Change in Policy and Other Important Information Notices are contained on the following pages.)

NOTICE OF CANCELLATION, NONRENEWAL, CONDITIONED RENEWAL OR CHANGE IN TERMS, CONDITIONS OR RATES
(New York)NAME AND
ADDRESS
OF INSURANCE
COMPANYUnited National Specialty Insurance Company
Three Bala Plaza, East Suite: 300
Bala Cynwyd PA 19004NAME AND
ADDRESS
OF INSUREDC.D. Kobson Inc. c/o Diana Eamtrakul
212 West 122nd Street, Apt. 1
New York NY 10027

KIND OF POLICY: Commercial Insurance Policy	
POLICY/APPLICATION/BINDER NO.: M 5200158	
EFFECTIVE DATE OF NOTICE: 11/27/07 12:01 AM (DATE) (HOUR-STANDARD TIME AT THE ADDRESS OF THE INSURED)	
DATE OF MAILING: 10/25/07	
NAME AND ADDRESS OF AGENT Morstan General Agency, Inc. P.O. Box 4500 Manhasset NY 11030-4500	BROKER: Arco Insurance 68 Croft Lane Smithtown NY 11787

Advance
notice of
nonrenewal
or change on
policy

- ☐ You are hereby advised in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that it is our intention either not to renew the above mentioned policy, expiring on the date indicated above, or not to renew it with the same terms, conditions and/or rates now applying to your current policy. A second notice will be sent to you at a later date advising of either nonrenewal or conditional renewal of your policy and indicating that coverage will continue on the same terms, conditions and rates as the expiring policy until the later of the expiration date or 60 days after the second notice is mailed or delivered to you, except to the extent that, prior thereto, you have replaced your coverage or have elected to cancel your insurance, in which event such cancellation shall be on a pro rata premium basis.
- See the "Important Notices" section in this form for "Information on Losses" and other additional information that may apply.

Important
Notices

☒ Reason(s) for cancellation, nonrenewal, conditioned renewal or change in policy:

Underwriting Reasons: Material Failure To Comply With Policy Terms, Conditions Or Contractual Duties (Unsafe Structural Exposure)

- ☐ Additional Information, if any, applying to Cancellation, Nonrenewal, Conditioned Renewal, Changes in Policy Terms, Conditions or Rates:

- ☒ Information on Losses: Upon written request from you or your authorized agent or broker, we will mail or deliver loss information covering a period of years specified by the Superintendent of the Insurance Department by regulation or the period of time coverage has been provided by us, whichever is less, within 10 days of such request. Loss information consists of information on closed claims, open claims and notices of occurrences, including date and description of occurrence and any payments or amounts of any payments.

- ☐ Consumer Report: In compliance with the Fair Credit Reporting Act (Public Law 91-508) and the Consumer Credit Reform Act of 1996, you are hereby informed that the action taken above is being taken wholly or partly because of information contained in a consumer report from the following consumer reporting agency:

(Name) _____ (Phone Number) _____

(Address) _____

Please see the additional information regarding the Consumer Credit Reform Act for a disclosure of your rights under this federal law.

- ☐ Procurement of Replacement Property (Fire) Insurance: This cancellation or nonrenewal pertains to a policy providing fire, and possibly extended coverage, vandalism and malicious mischief, sprinkler leakage and/or time element insurance. If you wish to replace your policy, you should make an effort to obtain insurance through another company in the voluntary market. If you have difficulty procuring replacement coverage in the voluntary market, you possibly may obtain such coverage through the New York Property Insurance Underwriting Association (the Association). If more information is needed about coverage through the Association, you may contact the Association directly at: New York Property Insurance Underwriting Association, 100 William Street, New York, New York 10038, Telephone (212) 208-9700 or through their website at www.nypiua.com.
- If you have questions regarding this notice of cancellation, nonrenewal, conditioned renewal, substitute policy or change in policy limits/coverage please contact:

(Company representative's name and telephone number)

(Also see important information on the following page.)

TICE OF CANCELLATION, NONRENEWAL, CONDITIONED RENEWAL OR CANCELLATION, RATES (New York)

ME AND
DRESS
INSURANCE
MPANY

United National Specialty Insurance Company
Three Bala Plaza, East Suite: 300
Bala Cynwyd PA 19004

KIND OF POLICY: Commercial Insurance Policy	
POLICY/APPLICATION/BINDER NO.: M 5200158	
EFFECTIVE DATE OF NOTICE: 11/27/07 12:01 AM (DATE) (HOUR-STANDARD TIME AT THE ADDRESS OF THE INSURED)	
DATE OF MAILING: 10/25/07	
NAME AND ADDRESS OF AGENT Morstan General Agency, Inc. P.O. Box 4500 Manhasset NY 11030-4500	BROKER: Arco Insurance 68 Croft Lane Smithtown NY 11787

ME AND
DRESS
INSURED

C.D. Kobson Inc. c/o Diana Eamtrakul
212 West 122nd Street, Apt 1
New York NY 10027

REASONS FOR CANCELLATION

cancellation is based on one or more of the following which appear under Section 3426(c)(1), Section 3426(c)(3) and Section 3426(c)(4) on the New York Insurance Law:

Section 3426(c)(1)

- (A) nonpayment of premium provided however, that a notice of cancellation on this ground shall inform the insured of the amount due.
- (B) conviction of a crime arising out of acts increasing the hazard insured against;
- (C) discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
- (D) after issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
- (E) material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with the insurer's objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- (F) a determination by the superintendent that continuation of the present premium volume of the insurer would jeopardize that insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public;
- (G) a determination by the superintendent that the continuation of the policy would violate, or would place the insurer in violation of, any provision of the Insurance Law (Chapter 28).
- (H) the insurer has reason to believe, in good faith and with sufficient cause, that there is a probable risk or danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds, provided, however, that:
 - (i) the insured must act within ten days of review by the Insurance Department of the ground for cancellation is desired pursuant to item (iii) of this subparagraph (H); and
 - (ii) notice of cancellation on this ground shall be provided simultaneously by the insurer to the Insurance Department; and
 - (iii) upon written request of the insured made to the Insurance Department within ten days from the insured's receipt of notice of cancellation on this ground, the Insurance Department shall undertake a review of the ground for cancellation to determine whether or not the insurer has satisfied the criteria for cancellation specified in this subparagraph; if after such review the Insurance Department finds no sufficient cause for cancellation on this ground, the notice of cancellation on this ground shall be deemed null and void.

Section 3426(c)(3)

With respect to professional liability insurance policies, in addition to the bases for cancellation set forth above in Code Nos. 1 through 8, there has been revocation or suspension of the insured's license to practice his or her profession, or if the insured is a hospital, it no longer possesses a valid operating certificate under Section 2801-a of the public health law.

Section 3426(c)(4)

With respect to an excess liability policy, in addition to the bases for cancellation set forth above in Code Nos. 1 through 8, there has been cancellation of one or more of the underlying policies providing primary or intermediate coverage, where: (a) such cancellation is based upon Code Items 1 through 8 or 9; and (b) such policies are not replaced without lapse.

Additional Information regarding your rights under the Consumer Credit Reform Act

Pursuant to the Consumer Credit Reform Act of 1996, effective September 30, 1997, you are informed that:

The consumer reporting agency identified on this form did not make any decisions regarding the stated insurance policy. Therefore, the consumer reporting agency would not be able to provide you with the specific reasons why the insurance company is taking the present action.

You have the right to obtain within 60 days of the receipt of this notice a free copy of your credit report from the consumer reporting agency which has been notified on this form. (Prior to September 30, 1997, you have the right to obtain a free copy of your credit report within 30 days of the receipt of this notice.)

You have the right to dispute inaccurate information by contacting the consumer reporting agency directly. Once you have directly notified the consumer reporting agency of your dispute, the agency must, within a reasonable period of time reinvestigate and record the current status of the disputed information. If the reinvestigation, such information is found to be inaccurate or unverifiable, such information must be promptly deleted from your records. If the reinvestigation does not resolve the dispute, you may file a brief statement setting forth the nature of the dispute with the consumer reporting agency. Your statement will then be included or summarized in any subsequent consumer report containing the information in question.

For complete information regarding the Federal Consumer Credit Protection Law please refer to The Code of the Laws of the United States of America, Title Chapter 41, Subchapter III, (15 U.S.C. §1681 et seq.).

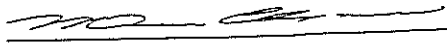

AUTHORIZED REPRESENTATIVE

EXHIBIT G

Jan 22 08 05:06p

Cesar O. Arrascue

631-366-2589

p. 1

ARCO INSURANCE AGENCY

Fax: 631-366-2589 Ph: 631-366-2033

fax

Date: 01/22/08 3 Pages

From: Cesar

TO: Janett Of: Morstan

Tel: Fax: 516-708-2717

Re: C.D. KOBSON "M5200158"

☐ Urgente☐ Please Replay☐ For Review

Janett, as requested follow copy of our
ck. for the amount of \$2,777.⁵⁵ mailed to
insured on 12/7/07. (We received your ck. on
12/15/07). Also find copy of letter from insured
received on Jan, 2, 08 not accepting the ck. and
return it back to us.

Any questions, please call me.

Regards. Cesar

68 Croft Lane Smithtown NV 11787

Jan 22 08 05:06p

Cesar O. Arrascue

631-366-2589

p.2

RECEIVED
DEC 05 2007Moralan General Agency, Inc.
P.O. Box 4500
Manhasset, NY 11030 4500

CHECK # 110700

DATE

12/03/07

AMOUNT \$

55552,501.45

PAY TO THE ORDER OF THOUSAND FIVE HUNDRED ONE DOLLARS AND 45 CENTS

DOLLARS

M5200158 C.D. Robson Inc. c/o Diana
EamtrakulCitibank
1524 Union Turnpike
New Hyde Park, NY 11040Also Insurance
License # BR 620749
68 Croft Lane
Smithtown, NY 11787

MORALAN GENERAL AGENCY, INC.

ARCO INSURANCE AGENCY
PREMIUM ACCOUNT
88 CROFT LANE
SMITHTOWN, NY 11787
(631) 366-2033GREENPOINT BANK
SMITHTOWN, NY 11787
1-7065/2260

5108

5108

PAY TWO THOUSAND SEVEN HUNDRED SEVENTY-SEVEN AND 55/100

DATE

DEC 7 07

AMOUNT

\$2,777.55

TO THE
ORDER OFC.D. Robson Inc.
C/O Diana Eamtrakul
212 West 122th St.
Apt. 1
New York, NY 10027

Cancellation Un-Earned Premium "M5200158"

⑈005108⑈ ⑈226070555⑈62 59 70315 2⑈

AUTHORIZED SIGNATURE

IN
ST
AR

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7
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2
2
0
0

Jan 22 08 05:07p

Cesar O. Arrascue

631-366-2589

p.3

C.D. Kobsons, Inc.
212 West 122nd St., Suite #1
New York, NY 10027
Tel: 212-866-4411

December 13, 2007

To: Arco Insurance Agency
68 Croft Lane
Smithtown N.Y. 11787

Ref: United National Specialty Insurance Company
Return a refund check for policy: 145204158
500 West 28th St a/k/a 311 Tenth Avenue, NY, NY 10001

To Arco Insurance Agency:

We are hereby returning your check number 5180 in an amount of \$2,777.55 due to the cancellation and refund from the United National Specialty Company. Since we have a legal pending with the United National Specialty Company we are unable to accept your checks until we have the court decision.

Regards,



Doungtrat Eamtraku, Managing Agent
C.D. Kobsons, Inc.

RECEIVED
JAN 02 2008

EXHIBIT H



NOTICE OF VIOLATION AND HEARING

COMMISSIONER OF THE DEPARTMENT OF BUILDINGS
OF THE CITY OF NEW YORK, PETITIONER, AGAINSTViolation No. 34489984J
ENVIRONMENTAL CONTROL BOARD

Respondent	First name (or entity name) C. D KOPSON'S INC.		Last name	
<input type="checkbox"/> Mailing address (Check if same address as place of occurrence)	Number and street 212 W 122ND APT 1R	City NEW YORK	State NY	Zip code 10027

Additional mailing to be sent (agent, care of, other):

Name	First name	Last name	Company
Mailing address	Number and street	City	State Zip code

Commissioner's Order To Correct Violations

Place of occurrence 311 10TH AVENUE	Boro M	Date of violation 09 12 9 105	Type C	Dist. 04	Code AA	No. 04
Construction type III	No. of stories 4+CELLAR	Block 649	Lot 37	Occupancy at time of inspection MD. COMMERCIAL	Basis of violation 1150503	

Based upon the inspection of the premises and/or records of the Department, the undersigned has determined that you are in violation of the sections of law cited below, of Title 26 and/or 27 of the NYC Administrative Code, and the Zoning Resolution.

Computer No.	Provision of law	Violating conditions observed	<input checked="" type="checkbox"/> Hazardous	<input type="checkbox"/> Second offense Prior ECB violation #
B7A	27-127	FAILURE TO MAINTAIN INTERIOR BUILDING WALL. DEFECTS NOTED: VERTICAL CRACK @ 3RD MASONRY BRICKS COLUMN, FROM NORTH, AT EAST, CELLAR AT APPROX. 6'-0" LONG X 1" WIDE. @ ALSO NOTED MISSING BRICKS THROUGHOUT COLUMN.		
NOTE: BRICKS COLUMN USED FOR SUPPORTING STRUCTURE, BEAM BEAM.				
Remedy: MAKE ALL NECESSARY REPAIR FORTHWITH				
<input type="checkbox"/> 26-126.1 (e)(i) Per day penalty for violation of section 27-118.1 x _____ units added.				
The Commissioner of the Department of Buildings orders that you correct these conditions and file a certificate of such correction.				

Resolution options	Hearing information
CURE DATE HAZ 1 At the hearing, you have the option to contest or admit the violation. If a "cure date" appears in the box above, you have the additional option to admit the violation and certify correction by the cure date, resulting in a finding of "in violation," but no hearing or penalty. Also, depending on the type of violation, you may be eligible to accept a stipulation. For more information, see reverse side of the yellow copy of the "Notice of Violation and Hearing".	If the Certificate of Correction (for a "cure") is not received by the date indicated to the left or is not approved by the Department or IF YOU ARE CHARGED WITH A HAZARDOUS OR SECOND OFFENSE VIOLATION, YOU ARE REQUIRED TO APPEAR FOR A HEARING AT THE ENVIRONMENTAL CONTROL BOARD (ECB) ON: Hearing date 11 17 105 at <input checked="" type="checkbox"/> 10:30 AM <input type="checkbox"/> 1:30 PM <input type="checkbox"/> Other _____ Environmental Control Board hearing locations: <input type="checkbox"/> Queens, (718) 298-7300 - 144-06 94th Avenue, 1st fl. <input checked="" type="checkbox"/> Manhattan, (212) 361-1400 - 66 John Street, 10th fl. <input type="checkbox"/> Brooklyn, (718) 875-7428 - 233 Schermerhorn Street, 11th fl. <input type="checkbox"/> Bronx, (718) 579-6844 - 1932 Arthur Avenue, 6th fl. <input type="checkbox"/> Staten Island, (212) 361-1400 - 350 St. Marks Place, 1st fl. Proceedings will be held under authority of the NYC Charter section 1404 and rules promulgated thereunder at 15 RCNY Chapter 31. This hearing is your opportunity to answer and defend against the allegations set forth above. If you do not appear, you will be held in default and subjected to maximum penalties.
For more information, To reschedule your hearing or inquire about the case status, call the Environmental Control Board at the numbers listed above. For information on certifying correction of this violation, read instructions on the Certificate of Correction form, call the Department of Buildings at 311, or go to www.nyc.gov/buildings .	

Issuing officer's last name, first initial (print)

ATHAS, A
1-22-210 **11C**
 Badge number Unit Code

Supervisor's signature

I personally observed the violation(s) charged and/or verified their existence through review of departmental records.

Issuing officer's signature **Adrian S. Othman**
 This statement is affirmed under penalty of perjury.

34489984J

ECB-PC (Rev. 10/04)

EXHIBIT
 311104 13
 311104 13

STATE OF NEW YORK
COUNTY OF NEW YORK

Pursuant to CPLR 4518(c), this certification will serve to authenticate this document as a true and accurate copy of a record of the Department of Buildings. This record was made in the regular course of business of the Department of Buildings, it is the regular practice of the Department to make records of this type, and the record was made about the same time of occurrence of the events recorded.



NOTICE OF VIOLATION AND HEARING

COMMISSIONER OF THE DEPARTMENT OF BUILDINGS
OF THE CITY OF NEW YORK, PETITIONER, AGAINSTViolation No. 34477119R
ENVIRONMENTAL CONTROL BOARD

Respondent	First name (or entity name) C.D. KOLSON'S INC.		Last name	
<input type="checkbox"/> Mailing address (Check if same address as place of occurrence)	Number and street 212 W 122nd St.	City New York	State NY	Zip code 10027-5425

Additional mailing to be sent (agent, care of, other):

Name	First name	Last name	Company
Mailing address	Number and street	City	State Zip code

Commissioner's Order To Correct Violations

Place of occurrence 311 10th Ave	Block Mark	Date of violation 01/04/06	Type C	Dist. 4	Code ALA	No. 2
Construction type ILC	No. of stories 3	Block 699	Lot 37	Occupancy at time of inspection Store/Reselling	Basis of violation 1154995	

Based upon the inspection of the premises and/or records of the Department, the undersigned has determined that you are in violation of the sections of law cited below, of Title 26 and/or 27 of the NYC Administrative Code, and the Zoning Resolution.

Computer No.	Provision of law	Violating conditions observed	<input type="checkbox"/> Hazardous	<input type="checkbox"/> Second offense Prior ECB violation #
B06	27-127	Failure to maintain exterior wall. Defect is Entire exterior walls has cracks and Missing Bricks for mortar around various area.		
Note: No structural cracks				
Remedy: Make all repairs in a safe + lawful manner.				
<input type="checkbox"/>	26-126.1 (e)(i)	Per day penalty for violation of section 27-118.1 x _____ units added.		

The Commissioner of the Department of Buildings orders that you correct these conditions and file a certificate of such correction.

Resolution options	Hearing information
CURE DATE 02/06/06 At the hearing, you have the option to contest or admit the violation. If a "cure date" appears in the box above, you have the additional option to admit the violation and certify correction by the cure date, resulting in a finding of "in violation," but no hearing or penalty. Also, depending on the type of violation, you may be eligible to accept a stipulation. For more information, see reverse side of the yellow copy of the "Notice of Violation and Hearing".	If the Certificate of Correction (for a "cure") is not received by the date indicated to the left or is not approved by the Department or IF YOU ARE CHARGED WITH A HAZARDOUS OR SECOND OFFENSE VIOLATION, YOU ARE REQUIRED TO APPEAR FOR A HEARING AT THE ENVIRONMENTAL CONTROL BOARD (ECB) ON: Hearing date 02/23/06 at <input checked="" type="checkbox"/> 10:30 AM <input type="checkbox"/> 1:30 PM <input type="checkbox"/> Other _____ Environmental Control Board hearing locations: <input type="checkbox"/> Queens, (718) 298-7300 - 144-06 94th Avenue, 1st fl. <input checked="" type="checkbox"/> Manhattan, (212) 361-1400 - 66 John Street, 10th fl. <input type="checkbox"/> Brooklyn, (718) 875-7428 - 233 Schermerhorn Street, 11th fl. <input type="checkbox"/> Bronx, (718) 579-6844 - 1932 Arthur Avenue, 6th fl. <input type="checkbox"/> Staten Island, (212) 361-1400 - 350 St. Marks Place, 1st fl. Proceedings will be held under authority of the NYC Charter section 1404 and rules promulgated thereunder at 15 RCNY Chapter 31. This hearing is your opportunity to answer and defend against the allegations set forth above. If you do not appear, you will be held in default and subjected to maximum penalties.

For more information. To reschedule your hearing or inquire about the case status, call the Environmental Control Board at the numbers listed above. For information on certifying correction of this violation, read instructions on the Certificate of Correction form, call the Department of Buildings at 311, or go to www.nyc.gov/buildings.

Issuing officer's last name, first initial (print)

Arles A
1171917
 Badge number Initial Code

Supervisor's signature

I personally observed the violation(s) charged and/or verified their existence through review of departmental records.

Issuing officer's signature
 This statement is affirmed under penalty of perjury.

34477119R

EXHIBIT

ARRANGE 15
3/18/08 11A

STATE OF NEW YORK
 COUNTY OF NY
 Pursuant to CPLR 4518(a) this certification with some to authenticate this document as a true and accurate copy of a record of the Department of Buildings. This record was made in the regular course of business of the Department of Buildings. It is the regular practice of the Department to make records of this type, and the record was made prior to the same time of occurrence of the events recorded.

NYC **BUILDINGS****NOTICE OF VIOLATION AND HEARING**COMMISSIONER OF THE DEPARTMENT OF BUILDINGS
OF THE CITY OF NEW YORK, PETITIONER, AGAINST**Violation No. 34477118P**
ENVIRONMENTAL CONTROL BOARD

Respondent	First name (or entity name)	Last name		
	C.D. Kobson's Inc.			
<input type="checkbox"/> Mailing address (Check if same address as place of occurrence)	Number and street	City	State	Zip code
	212 W 122 nd St Apt 12	New York	N.Y.	10027-592

Additional mailing to be sent (agent, care of, other):

Name	First name	Last name	Company
Mailing address	Number and street	City	State Zip code

Commissioner's Order To Correct Violations

Place of occurrence	Boro	Date of violation	Type	Dist.	Code	No.
311 10 th Ave	Manh	01/04/06	C	4	ALA	1
Construction type	No. of stories	Block	Lot	Occupancy at time of inspection	Basis of violation	
ICC	3	699	37	Store/Dwelling	1154996	

Based upon the inspection of the premises and/or records of the Department, the undersigned has determined that you are in violation of the sections of law cited below, of Title 26 and/or 27 of the NYC Administrative Code, and the Zoning Resolution.

Computer No.	Provision of law	Violating conditions observed	<input type="checkbox"/> Hazardous	<input type="checkbox"/> Second offense Prior ECB violation #
B7A	27-107	Failure to maintain building Defect in stairs with hallway landings and apartment floors throughout from 1 st floor to 3 rd floor are sagging and deteriorated.		
Remedy: File + obtain permit and repair building in a safe + lawful manner.				
<input type="checkbox"/>	26-126.1 (e)(i)	Per day penalty for violation of section 27-118.1 x _____ units added.		

The Commissioner of the Department of Buildings orders that you correct these conditions and file a certificate of such correction.

Resolution options	Hearing information
CURE DATE <u>Hazardous</u> At the hearing, you have the option to contest or admit the violation. If a "cure date" appears in the box above, you have the additional option to admit the violation and certify correction by the cure date, resulting in a finding of "in violation," but no hearing or penalty. Also, depending on the type of violation, you may be eligible to accept a stipulation. For more information, see reverse side of the yellow copy of the "Notice of Violation and Hearing".	If the Certificate of Correction (for a "cure") is not received by the date indicated to the left or is not approved by the Department or IF YOU ARE CHARGED WITH A HAZARDOUS OR SECOND OFFENSE VIOLATION, YOU ARE REQUIRED TO APPEAR FOR A HEARING AT THE ENVIRONMENTAL CONTROL BOARD (ECB) ON: Hearing date <u>02/23/06</u> at <u>10:30 AM</u> <input type="checkbox"/> 1:30 PM <input type="checkbox"/> Other _____ Environmental Control Board hearing locations: <input type="checkbox"/> Queens, (718) 298-7300 - 144-06 94th Avenue, 1st fl. <input checked="" type="checkbox"/> Manhattan, (212) 361-1400 - 66 John Street, 10th fl. <input type="checkbox"/> Brooklyn, (718) 875-7428 - 233 Schermerhorn Street, 11th fl. <input type="checkbox"/> Bronx, (718) 579-6844 - 1932 Arthur Avenue, 6th fl. <input type="checkbox"/> Staten Island, (212) 361-1400 - 350 St. Marks Place, 1st fl. Proceedings will be held under authority of the NYC Charter section 1404 and rules promulgated thereunder at 15 RCNY Chapter 31. This hearing is your opportunity to answer and defend against the allegations set forth above. If you do not appear, you will be held in default and subjected to maximum penalties.
For more information. To reschedule your hearing or inquire about the case status, call the Environmental Control Board at the numbers listed above. For information on certifying correction of this violation, read instructions on the Certificate of Correction form, call the Department of Buildings at 311, or go to www.nyc.gov/buildings .	

Issuing officer's last name, first initial (print)

Arles A
1797 ICC
 Badge number Unit Code

Supervisor's signature

I personally observed the violation(s) charged and/or verified their existence through review of departmental records.

Issuing officer's signature [Signature]
 This statement is affirmed under penalty of perjury.

34477118P

ECB-PC (Rev 1/004)

EXHIBIT
 3/18/08
 AAASCVS 14
 AL

STATE OF NEW YORK
 COUNTY OF NY
 Pursuant to CPLR 4518(c), this certification will serve to authenticate this document as a true and accurate copy of a record of the Department of Buildings. This record was made in the regular course of business of the Department of Buildings. It is the regular practice of the Department to make records of this type, and the record was made at or about the same time of occurrence of the event or transaction.

NYC BUILDINGS

NOTICE OF VIOLATION AND HEARING

COMMISSIONER OF THE DEPARTMENT OF BUILDINGS
OF THE CITY OF NEW YORK, PETITIONER, AGAINST

1078405

Violation No. 34504660X
ENVIRONMENTAL CONTROL BOARD

Respondent:	First name (or entity name)	Last name
<input type="checkbox"/> Mailing address (Check if same address as place of occurrence)	Number and street	City
	212 6122 ST 4TH	N.Y.
		State
		Zip code
		NY 10027

Additional mailing to be sent (agent, care of, other):

Name	First name	Last name	Company
Mailing address	Number and street	City	State
			Zip code

Commissioner's Order To Correct Violations

Place of occurrence	Boro	Date of violation	Type	Dist.	Code	No.
311 10 Ave	M	01 26 10	C	STF	MS	03
Construction type	No. of stories	Block	Lot	Occupancy at time of inspection	Basis of violation	
NFP	4	699	57	COM 12-01	NO REINS	

Based upon the inspection of the premises and/or records of the Department, the undersigned has determined that you are in violation of the sections of law cited below, of Title 26 and/or 27 of the NYC Administrative Code, and the Zoning Resolution.

Computer No.	Provision of law	Violating conditions observed	<input checked="" type="checkbox"/> Hazardous	<input type="checkbox"/> Second offense Prior ECB violation #
66A	27-127	FAILURE to MAINTAIN (EXT) B/L WALL.		
		NOTE: C/MASONRY BRICKSTONE		
		AND/OR LENTELS ON NORTH FACADE		
		CRUMBLING & IN LS REPAIR		
		② MORTAR MISSING FROM		
		BRICKS NEAR ROOF LEVEL ON		
		NORTH FACADE		
Remedy: MAINTAIN BUILDING				
<input type="checkbox"/> 26-126.1 (a)(1) Per day penalty for violation of section 27-118.1 x _____ units added.				
The Commissioner of the Department of Buildings orders that you correct these conditions and file a certificate of such correction.				

Resolution options	Hearing Information
CURE DATE <u>4/16/06</u> At the hearing, you have the option to contest or admit the violation. If a "cure date" appears in the box above, you have the additional option to admit the violation and certify correction by the cure date, resulting in a finding of "in violation," but no hearing or penalty. Also, depending on the type of violation, you may be eligible to accept a stipulation. For more information, see reverse side of the yellow copy of the "Notice of Violation and Hearing".	If the Certificate of Correction (for a "cure") is not received by the date indicated to the left or is not approved by the Department or IF YOU ARE CHARGED WITH A HAZARDOUS OR SECOND OFFENSE VIOLATION, YOU ARE REQUIRED TO APPEAR FOR A HEARING AT THE ENVIRONMENTAL CONTROL BOARD (ECB) ON: Hearing date <u>4/16/06</u> at <input checked="" type="checkbox"/> 10:30 AM <input type="checkbox"/> 1:30 PM <input type="checkbox"/> Other _____ Environmental Control Board hearing locations: <input type="checkbox"/> Queens, (718) 298-7300 - 144-06 94th Avenue, 1st fl. <input type="checkbox"/> Manhattan, (212) 361-1400 - 66 John Street, 10th fl. <input type="checkbox"/> Brooklyn, (718) 875-7428 - 233 Schermerhorn Street, 11th fl. <input type="checkbox"/> Bronx, (718) 579-6844 - 1932 Arthur Avenue, 6th fl. <input type="checkbox"/> Staten Island, (212) 361-1400 - 350 St. Marks Place, 1st fl. Proceedings will be held under authority of the NYC Charter section 1404 and rules promulgated thereunder at 15 RCNY Chapter 31. This hearing is your opportunity to answer and defend against the allegations set forth above. If you do not appear, you will be held in default and subjected to maximum penalties.
For more information, To reschedule your hearing or inquire about the case status, call the Environmental Control Board at the numbers listed above. For information on certifying correction of this violation, read instructions on the Certificate of Correction form, call the Department of Buildings at 311, or go to www.nyc.gov/buildings .	

Issuing officer's last name, first initial (print):

STEILMAN, M

I personally observed the violation(s) charged and/or verified their existence through review of departmental records.

Badge number

Unit Code

Issuing officer's signature

This statement is affirmed under penalty of perjury.

Supervisor's signature

34504660X

ORIGINAL - ECB COPY

ECB-PC (Rev. 10/04)

EXHIBIT

AR4400E 14
3/18/08 HK

COUNTY OF NEW YORK
 Department of Buildings
 3/12/08
 I hereby certify that the foregoing is a true and correct copy of the original as filed in the records of the Department of Buildings. This record was made in the regular course of business of the Department of Buildings. It is the regular practice of the Department to make records of this type, and the record was made at or about the same time of occurrence of the events recorded.

By: [Signature]
 Deputy Designated Certifying Officer

NYC **BUILDINGS****NOTICE OF VIOLATION AND HEARING**Violation No. 34508673N
ENVIRONMENTAL CONTROL BOARDCOMMISSIONER OF THE DEPARTMENT OF BUILDINGS
OF THE CITY OF NEW YORK, PETITIONER, AGAINST

Respondent	First name (or entity name)	Last name
	C. D. KOPSON'S, INC	
<input type="checkbox"/> Mailing address (Check if same address as place of occurrence)	Number and street	City State Zip code
	212 W 122 St	New York NY 10027 5427

Additional mailing to be sent (agent, care of, other):

Name	First name	Last name	Company
Mailing address	Number and street	City	State Zip code

Commissioner's Order To Correct Violations

Place of occurrence	Boro	Date of violation	Type	Dist.	Code	No.
311 10 Ave	M	06/01/06	C	5TH	PI	05
Construction type	No. of stories	Block	Lot	Occupancy at time of inspection	Basis of violation	
	4	699	37	MULTI-USE	1142 Relusp	

Based upon the inspection of the premises and/or records of the Department, the undersigned has determined that you are in violation of the sections of law cited below, of Title 26 and/or 27 of the NYC Administrative Code, and the Zoning Resolution.

Computer No.	Provision of law	Violating conditions observed	<input checked="" type="checkbox"/> Hazardous	<input type="checkbox"/> Second offense Prior ECB violation #
BH3 21-141		NOTED: WORK WITHOUT A PERMIT AT CELLAR - INSTALLED STEEL BEAMS & COLUMNS		
Remedy: OBTAIN PERMIT				
<input type="checkbox"/> 26-126.1 (e)(1) Per day penalty for violation of section 27-118.1 x units added.				
The Commissioner of the Department of Buildings orders that you correct these conditions and file a certificate of such correction.				

Resolution options	Hearing information
CURE DATE <u>HAZARDOUS</u> At the hearing, you have the option to contest or admit the violation. If a "cure date" appears in the box above, you have the additional option to admit the violation and certify correction by the cure date, resulting in a finding of "in violation," but no hearing or penalty. Also, depending on the type of violation, you may be eligible to accept a stipulation. For more information, see reverse side of the yellow copy of the "Notice of Violation and Hearing".	If the Certificate of Correction (for a "cure") is not received by the date indicated to the left or is not approved by the Department or IF YOU ARE CHARGED WITH A HAZARDOUS OR SECOND OFFENSE VIOLATION, YOU ARE REQUIRED TO APPEAR FOR A HEARING AT THE ENVIRONMENTAL CONTROL BOARD (ECB) ON: Hearing date <u>07/20/06</u> at <input checked="" type="checkbox"/> 10:30 AM <input type="checkbox"/> 1:30 PM <input type="checkbox"/> Other _____ Environmental Control Board hearing locations: <input type="checkbox"/> Queens, (718) 298-7300 - 144-06 94th Avenue, 1st fl. <input checked="" type="checkbox"/> Manhattan, (212) 351-1400 - 66 John Street, 10th fl. <input type="checkbox"/> Brooklyn, (718) 875-7428 - 233 Schermerhorn Street, 11th fl. <input type="checkbox"/> Bronx, (718) 579-6844 - 1932 Arthur Avenue, 6th fl. <input type="checkbox"/> Staten Island, (212) 351-1400 - 350 St. Marks Place, 1st fl. Proceedings will be held under authority of the NYC Charter section 1404 and rules promulgated thereunder at 15 RCNY Chapter 31. This hearing is your opportunity to answer and defend against the allegations set forth above. If you do not appear, you will be held in default and subjected to maximum penalties.
For more information. To reschedule your hearing or inquire about the case status, call the Environmental Control Board at the numbers listed above. For information on certifying correction of this violation, read instructions on the Certificate of Correction form, call the Department of Buildings at 311, or go to www.nyc.gov/buildings .	

Issuing officer's last name, first initial (print)

IRIZARRY, P119149 51P

Badge number Unit Code

Supervisor's signature Williams

I personally observed the violation(s) charged and/or verified their existence through review of departmental records.

Issuing officer's signature [Signature]
This statement is affirmed under penalty of perjury.

34508673N

ORIGINAL - ECB COPY

ECB-PC (Rev. 10/04)

EXHIBIT3114108 117
HARRIS 16

STATE OF NEW YORK
COUNTY OF NY
I, _____, the undersigned, being duly sworn, depose and say that the foregoing is a true and accurate copy of a record of the Department of Buildings. This record was made in the regular practice of the Department of Buildings. It is the regular practice of the Department to make records of the events recorded. I made them about the same time of occurrence of the events recorded.
By _____, Designated Certifying Officer.

NYC BUILDINGS

NOTICE OF VIOLATION AND HEARING

COMMISSIONER OF THE DEPARTMENT OF BUILDINGS
OF THE CITY OF NEW YORK, PETITIONER, AGAINSTViolation No. 34508672L
ENVIRONMENTAL CONTROL BOARD

Respondent	First name (or entity name)	Last name
	C. D. KOBSON'S	INC
<input type="checkbox"/> Mailing address (Check if same address as place of occurrence)	Number and street	City State Zip code
	212 W 122 St	New York NY 10027

Additional mailing to be sent (agent, care of, other):

Name	First name	Last name	Company
Mailing address	Number and street	City	State Zip code

Commissioner's Order To Correct Violations

Place of occurrence	Boro	Date of violation	Type	Dist.	Code	No.
311 10 Ave	M	06/01/06	C	ST. PT	04	
Construction type	No. of stories	Block	Lot	Occupancy at time of inspection	Base of violation	
III	4	699	37	MULTI-USE	HAZ Relnap	

Based upon the inspection of the premises and/or records of the Department, the undersigned has determined that you are in violation of the sections of law cited below, of Title 26 and/or 27 of the NYC Administrative Code, and the Zoning Resolution.

Computer No.	Provision of law	Violating conditions observed	<input checked="" type="checkbox"/> Hazardous	<input checked="" type="checkbox"/> Second offense Prior ECB violation # 34504660X
B6A	27-127	NOTED: NORTH ELEVATION BROWNSTONE MASONRY DELAMINING CREATING A HAZARDOUS CONDITION		
Remedy: PROVIDE PROTECTION TO PUBLIC & PROPERTY REPAIR/REPLACE AS REQUIRED TO OBTAIN ALL NECESSARY PERMITS				
<input type="checkbox"/>	26-126.1 (a)(i)	Per day penalty for violation of section 27-118.1 x _____ units added.		

The Commissioner of the Department of Buildings orders that you correct these conditions and file a certificate of such correction.

Resolution options	Hearing information
CURE DATE: HAZARDOUS	If the Certificate of Correction (for a "cure") is not received by the date indicated to the left or is not approved by the Department or IF YOU ARE CHARGED WITH A HAZARDOUS OR SECOND OFFENSE VIOLATION, YOU ARE REQUIRED TO APPEAR FOR A HEARING AT THE ENVIRONMENTAL CONTROL BOARD (ECB) ON:
At the hearing, you have the option to contest or admit the violation. If a "cure date" appears in the box above, you have the additional option to admit the violation and certify correction by the cure date, resulting in a finding of "in violation," but no hearing or penalty. Also, depending on the type of violation, you may be eligible to accept a stipulation. For more information, see reverse side of the yellow copy of the "Notice of Violation and Hearing".	Hearing date: 07/20/06 at <input checked="" type="checkbox"/> 10:30 AM <input type="checkbox"/> 1:30 PM <input type="checkbox"/> Other _____
	Environmental Control Board hearing locations: <input type="checkbox"/> Queens, (718) 298-7300 - 144-06 94th Avenue, 1st fl. <input checked="" type="checkbox"/> Manhattan, (212) 361-1400 - 66 John Street, 10th fl. <input type="checkbox"/> Brooklyn, (718) 875-7428 - 233 Schermerhorn Street, 11th fl. <input type="checkbox"/> Bronx, (718) 579-6844 - 1932 Arthur Avenue, 6th fl. <input type="checkbox"/> Staten Island, (212) 361-1400 - 350 St. Marks Place, 1st fl.
For more information. To reschedule your hearing or inquire about the case status, call the Environmental Control Board at the numbers listed above. For information on certifying correction of this violation, read instructions on the Certificate of Correction form, call the Department of Buildings at 311, or go to www.nyc.gov/buildings.	Proceedings will be held under authority of the NYC Charter section 1404 and rules promulgated thereunder at 15 RCNY Chapter 31. This hearing is your opportunity to answer and defend against the allegations set forth above. If you do not appear, you will be held in default and subjected to maximum penalties.

Issuing officer's last name, first initial (print)
 RIZARRY, P
 1949
 Badge number
 Supervisor's signature: [Signature]

I personally observed the violation(s) charged and/or verified their existence through review of departmental records.
 Issuing officer's signature: [Signature]
 This statement is affirmed under penalty of perjury.

34508672L

STATE OF NEW YORK
 COUNTY OF NY
 Pursuant to CPLR 4518(c), this certification will serve to authenticate this document as a true and accurate copy of a record of the Department of Buildings. This record was made in the regular course of business of the Department of Buildings. It is the regular practice of the Department to make records of this type, and the fact that it is a record of the same type of occurrence as the events recorded was made at the same time and place as the events recorded.



THE CITY OF NEW YORK ENVIRONMENTAL CONTROL BOARD

LOCATED AT:

☒ 66 John Street
10th Floor
New York, NY 10038
212-361-1400

☐ 233 Schermerhorn Street
11th Floor
Brooklyn, NY 11201
718-875-7428

☐ 144-06 94th Avenue
Main Floor
Jamaica, NY 11435
718-298-7300

☐ 350 St. Marks Place
Main Floor
Staten Island, NY 10301
718-815-8365
212-361-1400

☐ 1932 Arthur Avenue
6th Floor
Bronx, NY 10457
718-579-6844
212-361-1400

Disposition

Method of Appearance

DECISION AND ORDER

☐ CURED
☐ STIPULATION
☒ IN VIOLATION

☐ ADMISSION
☐ DISMISSED

☒ At Hearing
☐ By Mail
☐ Fail to Appear

Violation #: 245 ORG 72 L 8/T

Hearing Date: 11/16 20 06

City of New York v.: C. D. Roberts

Place of Occurrence: 211 10 Ave

Borough: Man

Agency: D.O.R

TO:
Justice McAllister
2156 Linden Blvd 7A
Brooklyn NY 11207

A Notice of Violation was duly served on the Respondent charging that on 6/1 20 06, the Respondent violated the NYC Administrative Code § 27-127, a provision or Rule of the Building/Fire Code.

☐ CURE: Petitioner has acknowledged that Respondent admitted the violation and has certified correction.
☐ STIPULATION: The Parties desire to settle by stipulation, without further hearing, and respondent admits to the violation.
☒ HEARING: Respondent appeared and entered a plea of: ☐ Admit ☐ Admit with Explanation ☒ Deny, and a hearing was held before me on the above-cited date.

On the record before me, and upon the further findings and reasons stated below, I find as to each violation charged and order payment of civil penalty and compliance, as follows:

CHARGE	FINDINGS	ORDER
Subsection/Rule	Decision	Penalty Imposed Compliance Ordered
<u>27-127</u>	<u>Violation</u>	<u>2000</u>
TOTAL CIVIL PENALTY \$		<u>2000</u>

FURTHER FINDINGS OF FACT/CONCLUSIONS OF LAW:

See Attached and file 244 899 84 T for Exhibit.

ADMISSION: I admit the above-described violation

Signature

Date

STIPULATION ACCEPTED AT HEARING:

Signature for Respondent

Capacity

Signature for Petitioner

Signature of Administrative Law Judge

Stamp and No.

Date 11/22/06

Date Mailed

See back of this order for instructions.

PAYMENT DUE WITHIN 10 DAYS
READ BACK OF THIS ORDER - PROTECT YOUR RIGHTS

EXHIBIT

Kubsons 3
4/28/08

STATE OF NEW YORK
COUNTY OF NEW YORK
In and for the City of New York
I, WILLIAM A. KELLY, Designated Certifying Officer,
do hereby certify that this document is a true and correct copy of a record of the Department of Buildings. This record was made in the regular course of business of the Department of Buildings. It is the regular practice of the Department to make records of this type, and the record was made at the same time of occurrence of the event recorded.

NoV 344 899 84J, 345 046 59Z, 345 046 60X, 345 086 72L
Hearing: 11/16/06

Petitioner was represented by Mr. Casciano. Respondent was represented by Mr. McAllister. Ms Eamtrakul, president of the respondent corporation also appeared.

The four NoV's describe structural defects in the basement walls and supporting structures, and crumbling lintels, missing mortar, and delamination of masonry on the exterior façade. A failure to maintain is charged under 27-127 of the NYC Administrative Code in each NoV issued September 29, 2005, January 26, 2006, and June 1, 2006.

Respondent requested an adjournment for the issuing officer and for more time to obtain a decision from petitioner's Borough Commissioner with regard to a possible order to vacate the subject premises. The request was denied. I determined that the issuing inspectors were not require because the facts described on the NoV's were not being challenged by the respondent's central claim. Second, further delay for the possibility of a vacate order was also unnecessary because the issuance of the Borough Commissioner's decision is not relevant to a determination of respondent's legal responsibilities prior to its issuance. Respondent was unable to show how such a decision could have retroactive effect.

Respondent challenged the mail portion of service of the NoV's claiming that the mailings were never received. This claim does not apply to two of the NoV's (345 046 59Z & 345 046 60X) because they were served on the Secretary of State. ECB computer records indicate that mailings for the other two NoV's were addressed to the appropriate location for respondent. Hence, respondent's motion to dismiss on this basis is denied.

In defense on the merits respondent claims the structural problems are more severe than those described by the NoV's and that the removal of all tenants is necessary to facilitate repairs or demolition and reconstruction. Respondent claims to have become aware of the serious nature of the problems in the summer of 2005 when Dubinsky Consulting Engineers, PC were retained. Dubinsky issued a report dated 9/7/06. (See Resp's exhibit 1). Respondent then sought advice from an architecture firm, AENA. (Resp Exhibit 3), a contractor (Resp Exhibit 4) on how to proceed. These reports indicate that the building requires such extensive repairs that it would require that the four residential and the one commercial tenant vacate the building. The reports also indicate that repairs would likely be so expensive that it would be cheaper to build a new building. A second report from

STATE OF NEW YORK
COUNTY OF NY

Pursuant to CPLR 4518(c), this certification will serve to authenticate this document as a true and correct copy of a record of the Department of Buildings. This record was made in the regular course of business and is a true and correct copy of the original. It is the regular practice of the Department to make records of this type and to retain them for the same time as the original. I, [Signature], Designated Certifying Officer, certify that this is a true and correct copy of the original.

AENA dated April 21, 2006, however, states that the extent of the structural damage cannot as yet be determined without removal of flooring.

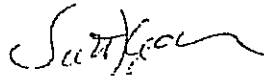
Respondent also sought the assistance from petitioner by asking petitioner to order that the building be vacated. Petitioner responded to this request on 3/13/06 and instructed that cracks be monitored and reports filed with the Department. (Resp Exhib 5). The 3/13/06 letter also states that the Department "may decide to vacate the building...." Depending on the results of the monitoring, Respondent complied and filed the required periodic monitoring reports (Resp Exhib 6). No decision has been forthcoming from petitioner to date.

Respondent asserts that it had taken all reasonable steps to maintain the building by retaining professional help and then relying on the petitioner's monitoring program.

I find that respondent has taken no corrective action to safeguard the building occupants or general public, e.g. there is no evidence of the erection of a sidewalk shed. In addition, one of Respondent's professional reports indicates that the extent of the structural damage is unknown. Nevertheless no corrective action was taken to correct the problems that were known in the basement and on the façade. Nor does petitioner's monitoring program relieve respondent from taking some corrective action for the problems that were known. Accordingly, I find that respondent has in fact failed to take reasonable steps to maintain the building.

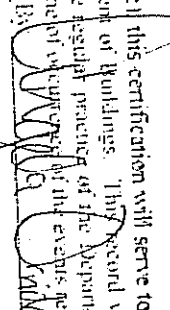
Finally, respondent argues that two of the NoV's (345 046 59Z & 345 046 60X) are duplicative because they were issued on the same day under the same charge. In spite of the fact that the NoV's describe different conditions, exterior façade conditions and interior structural support problems in the basement, I agree that the two charges and violations are duplicative and dismiss 345 046 59Z.

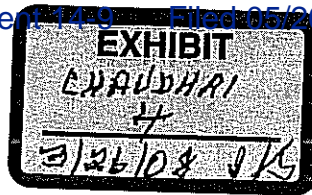
The three other NoV's, 344 899 84J, 345 046 60X, and 345 086 72L, are sustained. The third violation, NoV 345 086 72L, is charged as a second violation based on the finding of a violation for NoV 345 046 60X. Accordingly, a Board approved second offense penalty is imposed for this one violation and the standard first offense Board approved penalty is imposed for the other two.



Scott Kegelman, ALJ 119

STATE OF NEW YORK
COUNTY OF NEW YORK

Pursuant to CPLR 4518(c), this certification will serve to authenticate this document as a true and accurate copy of a record of the Department of Buildings. This record was made in the regular course of the Department of Buildings. It is the regular practice of the Department to make records of this type. The record was made at the same time of occurrence of the events recorded.
By:  Designated Certifying Officer

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NYC Department of Buildings

ECB Violation Details

Premises: 311 10 AVENUE MANHATTAN

BIN: 1078405 Block: 699 Lot: 37

ECB Viol Number: 34489984J

VIOL ACTIVE

Status: OVERDUE COMPL

Filed At: 311 10 AVENUE , MAN , NY 10001

Block: 699 Lot: 37

Respondent Info:

CB: 104

C.D. KOPSONS INC. , 212 WEST 122 STREET , NY , NY 10027

GEO Flag: 1

Viol Issue Date: 09/29/2005

Delivered Date: 09/29/2005

Viol Type: CN - CONSTRUCTION

DOB Viol Number: 092905C04AA04

Issuing Insp ID:

Tax Lien Serv: NO

Device Type:

Device Number: 1078405

Sched Hrg Date: 11/16/2006

Hearing Time: 9:00 Location: 9

Amount Imposed: \$800.00

Amount Paid: \$800.00

Hearing Status: V - IN VIOLATION

Compl Status: O - OVERDUE COMPL

Compl By Date: 01/04/2007

Compl Met Flag:

Compl Met Date:

Viol Severity: A - HIGH

Infraction Codes:

B7A 27-127 FAILURE TO MAINTAIN BUILDING - HAZARDOUS

Description of Violation:

FAILURE TO MAINTAIN INTERIOR BUILDING WALL. DEFECT NOTED: VERTICAL CRACK @ 3RD MASONRY BRICK COLUMN FROM NORTH AT EAST CELLAR AT APPROX 6'-0" LONG X 1" WIDE. (2) ALSO NOTED MISSING BRICKS THROUGHOUT COLUMN. NOT

Historical Event Dates:

CUR: HRG: 12/05/2006 COM:

DEF:

STIP ACC:

AJR: ASG: 11/16/2006 WRI:

Cominsp:

Comdoc:

If you have any questions please review these [Frequently Asked Questions](#), the [Glossary](#), or call the 311 Citizen Service Center by dialing 311 or (212) NEW YORK outside of New York City.


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NYC Department of Buildings

ECB Violation Details

Premises: 311 10 AVENUE MANHATTAN

BIN: 1078405 Block: 699 Lot: 37

ECB Viol Number: 34477118P

VIOL ACTIVE

Status: OVERDUE COMPL

Filed At: 311 10 AVENUE , MAN , NY 10001

Block: 699 Lot: 37

Respondent Info:

CB: 104

EAMTRAKUL . 212 W 122ND ST , NEW YORK , NY 10027

GEO Flag: 1

Viol Issue Date: 01/04/2006

Delivered Date: 01/09/2006

Viol Type: CN - CONSTRUCTION

DOB Viol Number: 010406C4ALA1

Issuing Insp ID:

Tax Lien Serv: NO

Device Type:

Device Number: 1078405

Sched Hrg Date: 04/13/2006

Hearing Time: 8:30 Location: 9

Amount Imposed: \$800.00

Amount Paid: \$800.00

Hearing Status: V - IN VIOLATION

Compl Status: O - OVERDUE COMPL

Compl By Date: 04/29/2006

Compl Met Flag:

Compl Met Date:

Viol Severity: A - HIGH

Infraction Codes:

B7A 27-127 FAILURE TO MAINTAIN BUILDING - HAZARDOUS

Description of Violation:

FAILURE TO MAINTAIN BUILDING DEFECT IS STAIRS WITH HALLWAY LANDINGS AND APARTMENT FLOORS THROUGHOUT FROM 1ST FLOOR TO 3RD FLOOR ARE SAGGING AND. REMEDY: FILE AND OBTAIN PERMIT/AND REPAIR BUILDING IN A SAFE AND

Historical Event Dates:

CUR: HRG: 06/06/2006 COM: DEF: STIP ACC:

AJR: 02/23/2006 ASG: 04/13/2006 WRI: Cominsp: Comdoc:

If you have any questions please review these [Frequently Asked Questions](#), the [Glossary](#), or call the 311 Citizen Service Center by dialing 311 or (212) NEW YORK outside of New York City.


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NYC Department of Buildings

ECB Violation Details

Premises: 311 10 AVENUE MANHATTAN

BIN: 1078405 Block: 699 Lot: 37

ECB Viol Number: 34504660X

VIOL ACTIVE

Status: OVERDUE COMPL

Filed At: 311 10 AVENUE , MAN , NY 10001

Block: 699 Lot: 37

Respondent Info:

CB: 104

C D KOBSONS INC . 212 WEST 122 STREET , NY , NY 10027

GEO Flag: 1

Viol Issue Date: 01/26/2006

Delivered Date: 02/17/2006

Viol Type: CN - CONSTRUCTION

DOB Viol Number: 012606CSTFMS03

Issuing Insp ID: 1904

Tax Lien Serv: NO

Device Type:

Device Number: 1078405

Sched Hrg Date: 11/16/2006

Hearing Time: 9:00 Location: 9

Amount Imposed: \$800.00

Amount Paid: \$0.00

Hearing Status: V - IN VIOLATION

Compl Status: O - OVERDUE COMPL

Compl By Date: 01/03/2007

Compl Met Flag:

Compl Met Date:

Viol Severity: A - HIGH

Infraction Codes:

B6A 27-127 FAILURE TO MAINTAIN EXTERIOR BUILDING WALL (HAZARDOUS)

Description of Violation:

FAILURE TO MAINTAIN (EXT) BLDG WALL. NOTE: (1) MASONRY BROWNSTON WINDOW LENTELS ON NORTH FACADE CRUMBLING & IN DISREPAIR. (2) MORTAR MISSING FROM BRICKS NEAR ROOF LEVEL ON NORTH FACADE. REMEDY: MAINTAIN BLDG.

Historical Event Dates:

CUR: HRG: 12/04/2006 COM:

DEF:


STIP ACC:

AJR: 08/31/2006 ASG: 11/16/2006 WRI:

Cominsp:

Comdoc:

If you have any questions please review these [Frequently Asked Questions](#), the [Glossary](#), or call the 311 Citizen Service Center by dialing 311 or (212) NEW YORK outside of New York City.

The logo for NYC BUILDINGS, featuring the letters "NYC" in a stylized font above the word "BUILDINGS" in a large, bold, sans-serif font.The NYC.gov logo, featuring the letters "NYC" in a stylized font above ".gov" and the tagline "always open" below it. [CLICK HERE TO SIGN UP FOR BUILDINGS NEWS](#)

NYC Department of Buildings

ECB Violation Details

Premises: 311 10 AVENUE MANHATTAN

ECB Viol Number: 34508672L

VIOL ACTIVE

BIN: 1078405 Block: 699 Lot: 37

Status: OVERDUE COMPL

Filed At: 311 10 AVENUE , MAN , NY 10001

Block: 699 Lot: 37

Respondent Info:

C.D. KOBSONS, INC . 212 WEST 122 STREET , NY , NY 10027

CB: 104

GEO Flag: 1

Viol Issue Date: 06/01/2006

Delivered Date: 06/01/2006

Viol Type: CN - CONSTRUCTION

DOB Viol Number: 060106CSTFPI04

Issuing Insp ID: 1949

Tax Lien Serv: NO

Device Type:

Device Number: 1078405

Sched Hrg Date: 11/16/2006

Hearing Time: 10:30 Location: 9

Amount Imposed: \$2,000.00

Amount Paid: \$0.00

Hearing Status: V - IN VIOLATION

Compl Status: O - OVERDUE COMPL

Compl By Date: 10/08/2006

Compl Met Flag:

Compl Met Date: 08/01/2006

Viol Severity: A - HIGH

Infraction Codes:

B6A 27-127 FAILURE TO MAINTAIN EXTERIOR BUILDING WALL (HAZARDOUS)

Description of Violation:

NOTED: NORTH ELEVATION BROWNSTONE MASONRY DELAMINING CREATING A HAZARDOUS CONDITION. REMEDY:PROVIDE PROTECTION TO PUBLIC & PROPERTY, REPAIR/REPLACE AS REQUIRED OBTAIN ALL NECESSARY PERMITS.

Historical Event Dates:

CUR: HRG: 12/04/2006 COM:

DEF:

STIP ACC:

AJR: ASG: 11/16/2006 WRI:

Cominsp:

Comdoc:

If you have any questions please review these [Frequently Asked Questions](#), the [Glossary](#), or call the 311 Citizen Service Center by dialing 311 or (212) NEW YORK outside of New York City.

PD Building Info

05/09/07
061027

HPD Building, Registration & Violation

Services

The selected address: 311 10 AVENUE, Manhattan 10001

DB#	Range	Block	Lot	CD	Census Tract	Stories	A Units	B Units	Ownership	MDR#	Class
07 Active	311-311	00699	0037	4	9900	4	6	0	PVT	134298	A

Building Registration Summary Report

Owner	Last Reg Dt	Organization	Last Nm	First Nm	House No	Street Nm	Apt City	State	Zip
Head Officer	2007/04/13		EAMTRAKUL	DOUNGRAT	212	W 122ND ST	1 NY	NY	10027
Officer	2007/04/13		SEREGIO	BARRERA	1372	BRISTOW ST	1 BRONX	NY	10459
Corporation	2007/04/13	C D KOBSON'S INC			212	W 122ND ST	1 NY	NY	10027
Managing Agent	2007/04/13	C D KOBSON'S INC	EAMTRAKUL	DOUNGRAT	212	W 122ND ST	1 NY	NY	10027
Emerg. Contact	2007/04/13		SERGIO	BARRERA					
Emerg. Contact	2007/04/13		EAMTRAKUL	DOUNGRAT					

Open Violations - ALL DATES

There are 12 Violations. Arranged by category: A class: 3 B class: 7 C class: 2 I class: 0

For Definitions of the columns indicated below, select glossary under the Services option (located at the upper right).

To sort the columns, click on their underlined headers below in the blue area.

Apt Story	Reported Date	Hazrd Class	Order no	Violation ID	Violation Description	Status Status Date	Owner Certification Dates: 1st Lead, 2nd Lead
2R 2	2005/12/29 2006/01/04	B	501	5919871 2582432	§ 27-2005 adm code properly repair the broken or defective locking device windows, kitchen and northwest room in the entire apartment located at apt 2r, 2nd story, apartment at south	NOV LATE 2006/05/23	2006/02/27 -
2R 2	2005/12/29 2006/01/04	B	501	5919886 2582432	§ 27-2005 adm code properly repair the broken or defective sagging wood floor in the kitchen located at apt 2r, 2nd story, apartment at south	NOV LATE 2006/05/23	2006/02/27 -
- 0	2005/10/19 2005/10/25	B	501	5791818 2518394	§ 27-2005 adm code properly repair the broken or defective outer stair stringer slanted 1st to 4th at public hall stairs	NOT COMPLETED 2006/05/03	2005/12/18 -
3R 3	2005/10/19 2005/10/25	B	501	5791856 2518396	§ 27-2005 adm code properly repair the broken or defective sagging floor in the entire apartment located at apt 3r, 3rd story, apartment at south	NOT COMPLETED 2006/05/03	2005/12/18 -
- -	1996/06/25 2005/06/09	B	502 126	2798403 2426140	§ 27-2005 adm code properly repair with similar material the broken or defective eroded motor joints 2 to above 4 sty at northeast cover.	NOT COMPLETED 2006/05/03	2005/08/02 -
2F -	1994/10/21 2005/06/09	C	670 118	2798395 2426141	§ 27-2031 adm code provide hot water at all hot water fixtures kitchen & bathroom 2 sty northeast apt 2f. located at apt 2f	1 NO ACCESS 2006/05/11	2005/06/25 -
2F -	1994/06/28 2005/06/09	A	508 115	2798392 2426139	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color ceiling 2 sty east apt 2f kitchen, located at apt 2f	1 NO ACCESS 2006/05/11	2005/10/01 -

2F -	1994/06/28 2005/06/09	B 116	566 2426140	2798393 2426140	§ 27-2016 adm code abate the nuisance consisting of vermin mice and roaches 2 sty east apt 2/ kitchen. located at apt 2/	1 NO ACCESS 2006/05/11	2005/08/02 -
2F -	1994/06/28 1994/07/19	C 117	555 545845	2798394 545845	§ 27-2013 adm code remove or cover in a manner approved by the department the peeling lead paint west wall 2 sty east apt 2/ bathroom lozeno 239 6063 eri. located at apt 2/	1 NO ACCESS 2006/05/11	1994/08/10 -
1 -	1988/10/19 2005/06/09	B 91	510 91	2798369 2426140	§ 27-2005 adm code B 309 m/d law abate the nuisance consisting of exposed electric wires 2 sty east apt 1 bathroom. located at apt 1	1 NO ACCESS 2006/05/11	2005/08/02 -
- -	1984/01/26 2005/06/09	A 80	484 80	2798365 2426139	§ 329, m/d law and dept. rules and regs. provide a completed certificate of inspection visits in a proper frame at or near mailboxes. bottom edge of frame between 48-62 inches above floor frame missing.	NOT COMPLIED 2006/05/03	2005/10/01 -
4F -	1975/04/22 2005/06/09	A 46	556 46	2798359 2426139	d26-12.01 adm code paint with light colored paint to the satisfaction of this department wals ceilings and woodwork 4 sty front apt 4f entire.	1 NO ACCESS 2006/05/11	2005/10/01 -

8
9
10

EXHIBIT I



Dubinsky Consulting Engineers. PC

DESIGN, DEVELOPMENT, INSPECTION, PROPERTY EVALUATION
45 West 34th Street, Tel. 212.594.1153
New York, NY 10001 Fax. 212.594.9376

INSPECTION REPORT NO: 08-02-05

PREMISES: 311 10th Avenue, NYC

aka 500 West 28th Street, NYC

Block No. 699

Lot No. 37

DATE: September 7, 2005

EXHIBIT

Kobsons 12
4/28/08

Premises: 311 10th Avenue, NYC
AKA 500 West 28th Street, NYC

Block No. 699
Lot No. 37

Building Description: 4 story with basement and store front on 10th Avenue, NYC

Date: September 7, 2005

As requested, Dubinsky Consulting Engineers, PC, performed the inspection of existing four stories residential building with first floor commercial space.

The structure of the building consists of:

- A. Foundations and foundation walls made of concrete and stone with brick bearing piers.
- B. First floor wood floor is supported by wood joists and steel beams.
- C. Upper levels and roof wood deck consist of wood flooring on top of 3" x 8" wood joists located at 16" +/- on center.

The masonry South wall of the building is covered with waterproofing stucco (see photo # 2) and revealed numerous cracks, holes and missing bricks (see photos ## 7 and 8). The expansion joint between adjacent loading dock and the building was in poor condition and two buildings are bound together at the stair level which caused cracks above (see photo # 7).

The South wall, which a bearing wall, is bulging out above street level and unless corrective measures are taken, it could farther deteriorate and collapse.

Inspection and examination of the basement revealed major cracks and missing section of the masonry bearing piers supporting front masonry wall as well as a portion of the sidewalk (see photos ## 9, 10, 11, 12 and 13).

It's dangerous condition is evident since that crack is over 1" wide and a (kitchen knife inserted in the crack can be seen see photo # 12).

Sections of the masonry piers are missing and repairs made in the past are inadequate and showing signs of deterioration.

These masonry piers support steel beams and stress cracks are evident under them (see photos ## 9 and 10). The conditions of the piers supporting steel beams is dangerous and immediate remedial work is required.

The bearing wall at the North revealed numerous diagonal and horizontal cracks as well as damaged stone windowsills and lintels. There is clearly evidence that leakages thru the walls aggravated these conditions and major repairs are required (see photos #: 3, 4, 5 and 6).

The interior wood stair between floors is warping and leaning away from the exterior wall (see photos ## 15 and 16). Stair landing and hallways are sloping to the center of the building. In some locations the slope was more than 2" (see photo # 21) and floor inside the apartments was raised to keep it leveled. This is a typical condition where floor level in the apartment is higher than the hallway.

Photos ## 20, 22 and 26 shows conditions where doors are not closing properly due to crocked and distorted doorframe related to the sloped floor. In addition to the hallway sloping floor (North-South direction), the floors are sloping in East-West direction too, towards the bathrooms at each apartment. The bathrooms are located at the middle of the building and due to numerous leaks in the past intermediate bearing wood partition and deteriorated as well as some of the floor joists.

These deflections are dangerous (weight of concrete mud and ceramic tiles is concentrated in this area) and if not addressed properly could farther deteriorate and cause a collapse of the middle portions of the floors.

Photos #: 17 and 18 shows deflected ceiling as well as cracks in the walls, Photos #: 27 and 28 indicate cracks in the ceiling due to leakages and deflections.

Photos #: 29, 30, 31 and 32 of the roof indicate the parapet which is not as required by code, which is of 3'-6" height for roof with access to public.

There also is a metal scrap yard on the West side less than 100' from the buildings and the equipment used there (the crane, the crushers etc...) create vibrations and induces more cracks and deterioration to the building.

In addition to the above there are many areas with old lead paint which is hazardous to health and which its removal requires a major undertaking and complete absence evacuation of the tenants in the building.

Conclusions:

The repairs of the building are absolutely necessary and all precaution must be taken ASAP to prevent dangerous conditions and possible collapse.

Due to the amount of repairs, associated cost and due to the length of time it will take to perform this task, we will recommend two options:

Option I

- Remove all tenants from the building, demolish the structure and build new building according to NY City Code and Zoning requirements.

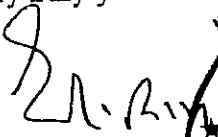
Option II

- Remove all tenants from the building and replace most of the floor decks and floor joists.
- Replace all plumbing and electrical wiring.
- Repair and rebuild masonry walls (as required)
- Scrape and remove lead paint as regulated by NY City Building Code.

Regardless which option will be accepted the vacation of the building is required ASAP since there is no guarantee how long the existing structure can hold up in the present condition.

If you have any questions regarding this matter please do not hesitate to contact our office for further assistance

Very truly yours:



Eli R. Dubinsky, PE

STEVEN A. SEKLIR
Attorney At Law

386 Park Avenue South
Suite 500
New York, NY 10016

EMAIL: SASEKLIR@VERIZON.NET
Tel (212) 505-4040 x 104
Fax (212) 505-4008

February 3, 2006

Laura V. Osorio, RA,
Manhattan Borough Commissioner
NYC Department of Buildings
280 Broadway, 3rd Fl.
New York, NY 10007

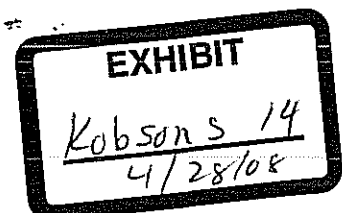
Re: 311 Tenth Avenue a/k/a 500 West 28th Street, New York, NY

Dear Commissioner Osorio:

I am the attorney for C.D. Kobsons, Inc. the owner of the above-referenced property. My client has asked me to write you regarding the serious structural problem in the building which was discussed at a meeting at your offices yesterday with Mrs. Doungnat Eamtrakul, the principal, and her architect, Alex Nussbaumer.

As was discussed at the meeting the owner's structural engineers and architect have both rendered written reports stating that the building is an unsafe and dangerous condition due to structural cracks and deflection of the floor framing. Mr. Nussbaumer states that although it is difficult to predict when the floor framing might fail, it definitely will fail. In September, 2005 we advised the tenants of the findings of the structural engineer and asked them to vacate the building for their safety.

As you know, my client would like to demolish the existing structure and construct new housing on the site. My client has offered to relocate the existing residential tenants at her expense and to pay the difference between their current rents and the relocation rents until they can be provided apartments in the new building.



Laura V. Osorio, RA,
February 2, 2006
Page 2

My client came away from yesterday's meeting with the understanding that you would not issue a vacate order based on the conditions described in the reports of the structural engineer and architect unless and until there is a partial collapse of the structure. She also understood that you would review the matter with Mr. Aviles and have a licensed engineer inspect the building.

I would appreciate if you would confirm whether or not the foregoing is accurate account of the meeting.

Very truly yours,



Steven A. Seklir

SAS/ps

c: Mrs. Doungrat Eamtrakul
Alex Nussbaumer, RA



45 West 34th Street,
New York, NY 10001
Tel.: (212) 594-1153
Fax.: (212) 594-9376

October 18, 2006

Ms. Patricia J. Lancaster, Commissioner
New York City Department of Building
280 Broadway, 3rd Floor
New York, NY 10007

**Re: 311 Tenth Avenue, New York, N.Y. 10001 (South West Corner of 28th Street, New York, N.Y.)
Block #: 699 & Lot #: 37 - Summary of Inspections, Monitoring and Letters**

Dear Ms. Lancaster

Ms. Diane Eamtrakul President of C.D. Kobsons, Inc. the owner of the building mentioned above engaged our services more than a year ago, to inspect the building and report to her of our findings.

Our report dated September 07 2005, (copy enclosed), indicate numerous deficiencies and structural concerns we had and include our recommendations.

Ms. Laura V. Osario Borough Commissioner met with Ms. Diane Eamtrakul and Architect Alex to go over our report and issued a letter copy enclosed, in which she instructed the owner to provide tell tale taps and provide monitoring.

As you can see from our letter some changes occurred showing movements in the building, also ~~worsening floors sagging conditions occurred.~~

On February 16 2006, Mr. Shenovda Commissioner Assistant with Inspector Aviles and Faisal Mohammed the Department the Department of Building Engineer came to inspect the cracks in the basement and upstairs wall and deflection of floors, warping of stairs and sloping floors.

No report of their finding was ever given to Ms. Eamtrakul despite assurance by the inspectors of the Department of Building.

On March 07 2006, tell tale taps were installed and movements were monitored since on March 16 2006, Mr. Aviles of the Building Department was called in to observe stress cracks on floor beams at the 2nd floor and bad sagging conditions.

EXHIBIT

Kobsons 16
4/28/08

Re: Re: 311 Tenth Avenue, New York, N.Y. 10001 (South West Corner of 28th Street, New York, N.Y.)
Block #: 699 & Lot #: 37 - Summary of Inspections, Monitoring and Letters
October 18, 2006
Page 2

Again no response in writing from Department of Buildings. On April 11 2006, we visited the site to observe the cracks in the beams at 2nd floor.

On August 09 2006, due to a crack that seems to be widening in the foundation stone wall at entry to the basement, new tell tale was installed at this crack.

I would appreciate if Department of Buildings will provide us with copies of DOB Engineer's reports.

It is now over a year since we reported to the Department of Buildings of the condition of the building. The metal recycle yard with heavy crashing equipment and recent construction on the site of 303-309 10th Avenue, which is a gas station excavation work on the site adjacent to the building and Con Edison work at the street corner do not help and cause more vibrations etc....

We will strongly recommend to demolish the existing building and rebuilt (see also Ms. Osorio's letter).

Please response expeditiously to safe guard the building and prevent farther damage or worst.

Very truly yours:

Eli R. Dubinsky, PE

File

